



**Comprehensive  
Annual  
Financial  
Report**

•

**City  
of  
Milwaukee,  
Wisconsin**

•

for the  
Year Ended  
December 31, 2001

•

**W. Martin Morics  
Comptroller**



**Comprehensive  
Annual  
Financial  
Report  
•  
City  
of  
Milwaukee,  
Wisconsin**

•  
for the  
Year Ended  
December 31, 2001

•  
Office  
of the  
Comptroller

•  
**W. Martin Morics  
Comptroller**

CITY OF MILWAUKEE  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS**  
 FOR THE YEAR ENDED DECEMBER 31, 2001

	Exhibit, or Table Number	Page Number
<b>INTRODUCTORY SECTION</b>		
Comptroller's Letter of Transmittal .....		5
Organization Chart .....		15
Names of Principal Officials .....		16
G.R.A.T.E. Certificate of Commendation .....		17
<b>FINANCIAL SECTION</b>		
<b>REPORT OF INDEPENDENT AUDITORS .....</b>		<b>21</b>
<b>COMBINED STATEMENTS - OVERVIEW ("Liftable" GENERAL PURPOSE FINANCIAL STATEMENTS)</b>		
Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units .....	1	24
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds .....	2	28
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Budgeted Special Revenue Fund Types .....	3	30
Combined Statement of Revenues, Expenses and Changes in Retained Earnings (Deficit) - All Proprietary Fund Types and Discretely Presented Component Units .....	4	33
Combined Statement of Cash Flows - All Proprietary Fund Types and Discretely Presented Component Units .....	5	34
Notes to the Financial Statements .....		36
<b>COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES</b>		
<b>General Fund:</b>		
Comparative Balance Sheet .....	A1	60
Statement of Revenues, Expenditures and Changes in Fund Balance .....	A2	61
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	A3	62
Schedule of Revenues - Budget and Actual .....	A4	63
Schedule of Expenditures - Budget and Actual .....	A5	64
<b>Special Revenue Funds:</b>		
Combining Balance Sheet .....	B1	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	B2	67
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual .....	B3	68
<b>Debt Service Funds:</b>		
Combining Balance Sheet .....	C1	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	C2	73
<b>Capital Projects Funds:</b>		
Combining Balance Sheet .....	D1	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	D2	78
<b>Enterprise Funds:</b>		
Combining Balance Sheet .....	E1	82
Combining Statement of Revenues, Expenses and Changes in Retained Earnings (Deficit) .....	E2	84
Combining Statement of Cash Flows .....	E3	86

CITY OF MILWAUKEE  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS**  
FOR THE YEAR ENDED DECEMBER 31, 2001

	Exhibit, or Table Number	Page Number
<b>FINANCIAL SECTION (Continued)</b>		
<b>COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES (Continued)</b>		
Trust and Agency Funds:		
Combining Balance Sheet .....	F1	92
Expendable Trust Funds:		
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	F2	93
Agency Funds:		
Combining Statement of Changes in Assets and Liabilities .....	F3	94
General Fixed Assets Account Group:		
Schedule of General Fixed Assets - By Sources .....	G1	98
Schedule of General Fixed Assets - By Functions and Activities .....	G2	99
Schedule of Changes in General Fixed Assets - By Functions and Activities .....	G3	100
Schedule of Changes in General Fixed Assets - By Sources .....	G4	101
General Long-Term Obligations Account Group:		
Statement of General Long-Term Obligations .....	H1	104
Component Units Enterprise Funds:		
Combining Balance Sheet .....	I1	106
Combining Statement of Revenues, Expenses and Changes in Retained Earnings (Deficit) .....	I2	108
Combining Statement of Cash Flows .....	I3	110
Miscellaneous Financial Data:		
Combined Schedule of Delinquent Taxes Receivable .....	J1	116
Combined Schedule of Cash and Cash Equivalents and Investments - Reporting Entity .....	J2	117
Debt Service Requirements to Maturity - General Obligation Bonds and Notes .....	J3	118
Debt Service Requirements to Maturity - Water Revenue and Disclosure of Bond Coverage.....	J4	126
Debt Service Requirements to Maturity - Sewer System Revenue and Disclosure of Bond Coverage ...	J5	127
<b>STATISTICAL SECTION</b>		
General Governmental Expenditures by Function - Last Ten Years .....	1	131
General Revenues by Source - Last Ten Years .....	2	132
Property Tax Levies and Collections - Last Ten Years .....	3	133
Assessed and Estimated Actual Value of Taxable Property - Last Ten Years .....	4	135
Property Tax Rates and Tax Levies - All Overlapping Governments - Last Ten Years .....	5	136
Special Assessment Collections - Last Ten Years .....	6	138
Ratio of Net General Long-Term Debt to Assessed Value and Equalized Value and Net Long-Term		
Debt Per Capita - Last Ten Years .....	7	139
Computation of Legal Debt Margin .....	8	140
Computation of Direct and Overlapping Debt .....	9	141
Ratio of Annual Debt Service Expenditures for General Long-Term Debt to General Expenditures -		
Last Ten Years .....	10	142
Demographic Statistics - Last Ten Years .....	11	143
Property Values, Construction and Bank Deposits - Last Ten Years .....	12	144
Principal Taxpayers .....	13	145
Schedule of Insurance in Force .....	14	146
Miscellaneous Statistical Data .....	15	148



**I  
N  
T  
R  
O  
D  
U  
C  
T  
O  
R  
Y  
  
S  
E  
C  
T  
I  
O  
N**

This page left blank intentionally.



## Office of the Comptroller

June 19, 2002

W. Martin Morics, C.P.A.  
Comptroller

John M. Egan, C.P.A.  
Deputy Comptroller

Michael J. Daun  
Special Deputy Comptroller

Anita W. Paretti, C.P.A.  
Special Deputy Comptroller

Honorable John O. Norquist, Mayor  
The Members of the Common Council  
City of Milwaukee  
Milwaukee, WI 53202

Dear Mayor and Council Members:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Milwaukee for the fiscal year ended December 31, 2001. This report is prepared to satisfy the City Charter requirement for the Office of the Comptroller to prepare an annual statement of revenues and expenditures and the Common Council's request for an independent examination of financial activity of the City of Milwaukee. The report was prepared by the Office of the Comptroller in conformity with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other authoritative accounting standard setting bodies. This report presents the financial position of the City of Milwaukee and its component units. The CAFR reflects the actual financial activity of the past year rather than proposed activity for a future year, as presented in the City's Annual Budget.

The Comprehensive Annual Financial Report is divided into three sections:

The **Introductory Section**, which begins with this letter and incorporates financial highlights and economic development activities occurring within the City during the past year. This section also includes an organization chart and the names of the City's principal officers.

The **Financial Section** is prepared using the pyramid approach, as proposed by GASB. The Combined Statements, also referred to as the General Purpose Financial Statements, present an overview of the City's financial operations. The Combining and Individual Fund and Account Group Statements and Schedules present the financial activity of the various funds and account groups of the City, as well as certain miscellaneous financial data. The statements and schedules included in this section pertain to those operations which, when taken together, comprise the reporting entity of the City. Also included in this section is the report of the independent auditors.

The **Statistical Section** includes information regarding general City revenues and expenditures over the past ten years, property tax rates, City debt statistics, and miscellaneous information on the City and its services.

The City is required to undergo an annual single audit in accordance with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of States and Local Governments and Non-Profit Organizations. The City of Milwaukee's Single Audit Report is issued as a supplement to the CAFR and will be available in August 2002.

### THE REPORTING ENTITY

The Comprehensive Annual Financial Report of the City contains information about the financial activities and status of the City and its component units. The City of Milwaukee provides a full range of municipal services, including police and fire protection, sanitation, health, culture and recreation, public works, conservation and development and administrative support services. Also included in the report are the enterprise operations of the Metropolitan Sewerage District User Charge, Parking, Port of Milwaukee, Sewer Maintenance, Solid Waste, and the Water Works. The above mentioned activities are under the direct oversight responsibility of the Mayor and Common Council and constitute the primary governmental functions of the City of Milwaukee.

In addition, the financial reporting entity for the City of Milwaukee includes certain component units as required by GASB Statement 14. The component units included in the City's reporting entity meet the criteria of GASB 14, and are those for which the City is financially accountable or which the nature and significance of their relationship with the City would cause these financial statements to be misleading or incomplete, if not reported herein. The financial activities of these discretely presented component units are presented in Exhibits I-1, I-2, and I-3 and include the Pabst Theater, the Milwaukee Economic Development Corporation, the City of Milwaukee Housing and Redevelopment Authorities, and the Neighborhood Improvement Development Corporation.

The Milwaukee Public Schools System, the Milwaukee Metropolitan Sewerage District, Milwaukee County government, the Wisconsin Center District and the Milwaukee Area Technical College are not included in this report as their relationship with the City does not meet the criteria of GASB 14.

CITY OF MILWAUKEE  
LETTER OF TRANSMITTAL  
FOR THE YEAR ENDED DECEMBER 31, 2001

**DESCRIPTION OF GOVERNMENT'S ORGANIZATION**

Milwaukee was incorporated as a city on January 31, 1846, pursuant to the laws of the territory of Wisconsin. The City, in operation under a Home Rule Charter since 1874, provides for a council-mayor form of government.

The Mayor, Comptroller, Treasurer, City Attorney and 17 Common Council members are elected officials of the City. Local elections are nonpartisan. Officials are elected to identical four-year terms. The City of Milwaukee held a general election for these positions in April 2000.

The Mayor is the Chief Executive Officer and maintains a cabinet form of government controlling major City departments by appointing department heads who are subject to confirmation by the Common Council. The Mayor is responsible for the preparation of an annual city expenditure budget, subject to review by the Common Council.

The Common Council is responsible for the management and control of the finances and property of the City and has the full power and authority to establish, enforce and modify all regulations for the government.

The Comptroller acts as the Chief Financial Officer for the City. The Comptroller's responsibilities include the establishment of City accounting policies and procedures, revenue estimating and monitoring, examination and investigation of all matters related to the finances of the City, issuance of debt, and financial reporting.

The City Treasurer is responsible for the receipt, disbursement and investment of all monies accruing to the City, including the collection of property taxes.

The City Attorney is responsible for all legal matters of the corporation, including furnishing legal opinions, drafting all legal documents and defending the City in any legal actions.

**SUMMARY OF ACCOUNTING POLICIES AND FINANCIAL CONTROLS**

Management of the City and the component units is responsible for establishing and maintaining an internal control structure designed to ensure that the assets entrusted are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes: (1) the cost of a control should not exceed the benefits likely to be derived; and, (2) the valuation of costs and benefits requires estimates and judgments by management.

The City maintains budgetary controls, the objective of which is to ensure compliance with legal provisions of the annual budget adopted by the Common Council of the City of Milwaukee. Activities of the general, capital projects funds and certain special revenue, debt service and enterprise fund types (exclusive of the component units) are included in the City's annual budget. Budgets for the component units are approved by their respective Boards. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function (i.e. salaries, supplies, services) for the general fund, and enterprise funds, and by project for capital funds, special revenue funds and debt service funds. The City of Milwaukee also maintains an encumbrance accounting system as a technique of accomplishing budgetary control. Appropriations not encumbered and not carried over by action of the Common Council lapse at year-end.

**FINANCIAL HIGHLIGHTS**

The City of Milwaukee financial statements continue to be prepared in conformity with accounting principles generally accepted in the United States of America for governments. The results of City operations are reported in thousands of dollars to eliminate immaterial amounts and make the report easier to read. As demonstrated by the statements and schedules included in the Financial Section of this report, the City continues to meet its responsibility for sound financial management.

**General Governmental Functions.** The following schedule presents a summary of general fund, special revenue funds and debt service funds revenue for the year ended December 31, 2001, as well as the amount and percentage of increase and decrease in relation to prior year revenue.

CITY OF MILWAUKEE  
LETTER OF TRANSMITTAL  
FOR THE YEAR ENDED DECEMBER 31, 2001

REVENUE	2001 AMOUNT	2000 AMOUNT	INCREASE (DECREASE)	PERCENT OF INCREASE (DECREASE)
(THOUSANDS OF DOLLARS)				
Taxes	\$ 202,541	\$ 169,990	\$ 32,551	19.15%
Licenses/Permits	10,485	10,154	331	3.26
Intergovernmental	340,189	339,838	351	.10
Charges for Services	54,594	45,383	9,211	20.30
Fines & Forfeitures	4,408	18,036	(13,628)	(75.56)
Other	<u>39,748</u>	<u>46,674</u>	<u>(6,926)</u>	<u>(14.84)</u>
<b>TOTAL</b>	<b><u>\$ 651,965</u></b>	<b><u>\$ 630,075</u></b>	<b><u>\$ 21,890</u></b>	<b>3.47%</b>

Taxes

Total revenue to the City of Milwaukee increased by approximately \$21.89 million or 3.47% from 2000 to 2001. Actual revenue collected for 2001 for the General and Special Revenue Funds was 99.9% of estimated revenue in the City's 2001 adopted budget.

General fund property and other tax revenue increased by \$32.5 million primarily due to a \$20.4 million increase in property tax revenue. This \$20.4 million property tax increase helped offset the decline in use of the City Tax Stabilization Fund from \$11.2 million in 2000 to \$5.5 million in 2001. The remaining difference is a result of the increased collection of taxes of \$12.3 million in the debt service fund pursuant to the budgeted debt service tax levy. The levy for debt service increased by \$10.5 million between years 2000 and 2001.

Licenses and Permit Revenue

Licenses and permit revenues increased by \$.3 million. Building inspection permit fees were primarily responsible for this change.

Intergovernmental Revenue

Intergovernmental revenue increased by \$.4 million in 2001. Grant revenues decreased by \$.2 million in 2001. This was the result of a decrease in funds received for the Safe Drinking Water Loan program of approximately \$1.2 million as the program wound down and a decrease in revenue in the Milwaukee Municipal Health Services Program (MHSP) management grant of \$.5 million. This was offset by an increase in Home program revenues of \$1.6 million.

In the General Fund, revenue increased by \$.6 million. This was due to an increase in other State payments of \$1.2 million representing an increase in computer exemption aid from the State of Wisconsin. This was partially offset by a decrease in State Shared Revenues of \$.8 million. Smaller changes in other programs accounted for the remainder of the increase.

Charges for Services

The increase in the charges for services of \$9.2 million is a result of increases in general government of \$10.2 and public safety of \$1.0 million, offset by a \$2.0 million decrease in charges for services from Public Works.

Within general government, there was an increase of \$10.2 million; \$7.4 million is attributable to fees received from the Employees' Retirement System for reimbursement for operating expenditures. Another \$1.3 million represents reimbursement from the Employee Retirement System for attorneys' fees associated with the Global Settlement. An additional \$.9 million was generated through economic development activity related to Business Improvement Districts. Revenue increases and decreases offset each other in other accounts.

\$.7 million of the \$1.0 million increase in public safety is due to an increase in reinspection (\$.3 million) and building razing (\$.4 million). Additionally, an increase of \$.4 million was recognized in emergency medical transport. This resulted from a full year of revenues in 2001 after the fee was initiated in 2000.

Public Works revenue decreased by \$2.0 resulting from \$.4 million in decreased revenue in repairing trenches, \$.2 million in conduit rental fees and, a \$1.5 million shift of expenditures from general government to an enterprise fund for solid waste fund services.

**CITY OF MILWAUKEE  
LETTER OF TRANSMITTAL  
FOR THE YEAR ENDED DECEMBER 31, 2001**

**Fines and Forfeitures**

Fines and forfeitures decrease of \$13.6 million is a result of a reclassification of parking citation revenue from fines and forfeitures to "Transfers In" in the General Fund. \$15.0 million was transferred from the Parking Fund to the General Fund during 2001. Additionally, municipal court forfeitures decreased by \$.5 million during 2001 as a result of the stabilization of quality of life initiatives by the Police Department.

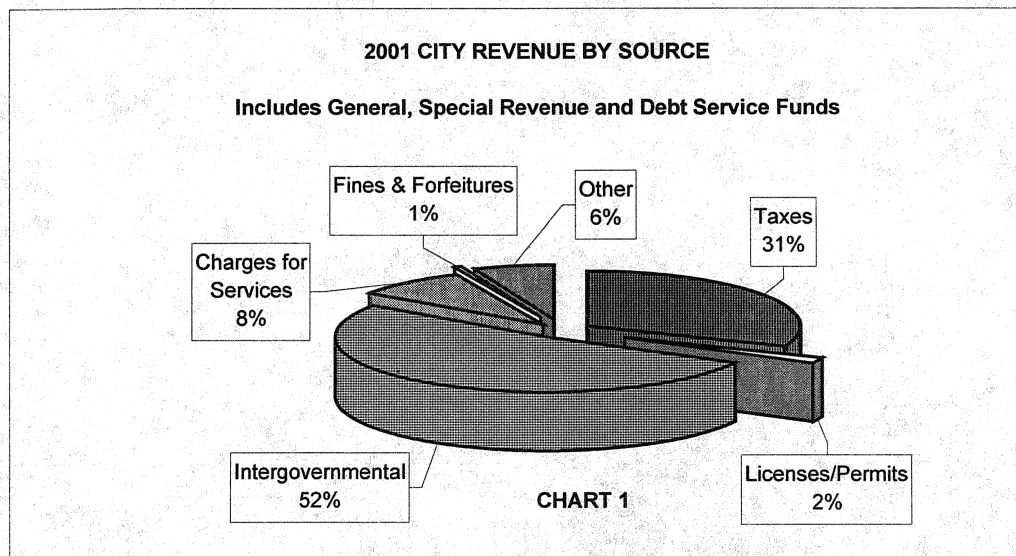
**Other Revenue**

Other revenue decreased by \$1.9 million in the General Fund, \$.2 million in the Special Revenue Fund and \$4.8 million in the Debt Service Fund.

The General Fund decrease reflects a \$4 million decrease in investment earnings. The change in fair market value from December 31, 2000 to December 31, 2001 was a \$.1 million decrease. The decrease in investment earnings was offset by an Employees' Retirement System accrual of \$2.5 for employer contribution reimbursement. Other revenue categories increased and decreased by offsetting amounts.

The \$4.8 million decrease in the Debt Service Funds reflects decreased interest earnings in the Debt Service Fund and Public Debt Amortization (PDA) Fund investments of \$4.9 million offset slightly by a \$.7 million increase in fair value of PDA fund investments. General investment earnings for the PDA fund decreased by \$1.7 million. Additionally, revenue from other agencies within the General Obligation Debt Fund decreased by \$1.9 million due to the one time reimbursement from the Employees' Retirement System for debt service requirements associated with the replacement of its technological infrastructure in the year 2000. However, increases were realized in premium and interest on bond and note sales of \$.7 million and capitalized interest of \$2.3 million.

Chart 1 shows a percentage breakdown of revenue by source for the City of Milwaukee's general fund, special revenue funds and debt service funds for fiscal year 2001.



**Expenditures**

The following schedule presents a summary of general, special revenue funds and debt service funds expenditures for the year ended December 31, 2001, and the percentage of increases and decreases in relation to prior year amounts:

CITY OF MILWAUKEE  
LETTER OF TRANSMITTAL  
FOR THE YEAR ENDED DECEMBER 31, 2001

EXPENDITURES	2001 AMOUNT	2000 AMOUNT	INCREASE (DECREASE)	PERCENT OF INCREASE (DECREASE)
(THOUSANDS OF DOLLARS)				
Current:				
General Government	\$ 164,249	\$ 159,103	\$ 5,146	3.23 %
Public Safety	223,279	235,157	(11,878)	(5.05)
Public Works	91,019	105,374	(14,355)	(13.62)
Health	23,037	23,568	(531)	(2.25)
Culture & Recreation	19,150	19,764	(614)	(3.11)
Conservation & Development	36,202	34,074	2,128	6.25
Debt Service:				
Principal Retirement	71,904	70,143	1,761	2.51
Interest	<u>26,581</u>	<u>23,733</u>	<u>2,848</u>	12.00
<b>TOTAL</b>	<b><u>\$ 655,421</u></b>	<b><u>\$ 670,916</u></b>	<b><u>\$ (15,495)</u></b>	<b>(2.31)%</b>

In total, city-operating costs decreased by approximately \$15.5 million over 2000.

General Government

The \$5.1 million increase in General Government is a function of an \$8.1 million increase in worker's compensation, health care and other related employee benefits and a \$.6 million increase in salary offset by a \$.3 million decrease in interest expenditures.

Public Safety

Public Safety expenditures for the year 2000 reflect two years of labor contract settlements (1999 and 2000). This accounts for the decrease in 2001 of \$11.9 million.

Public Works

Of the \$14.3 million decrease, \$5.1 million was attributable to transferring the costs of the parking violations collection contract to the Parking Fund. Another \$4.2 million was attributable to transferring certain sanitation related costs to the solid waste fund. Additionally, \$3.3 million results from decreased equipment purchases and \$.6 million from a decrease in salaries. Within the Special Revenue Fund, a \$1.1 million decrease in expenditures was recognized as the safe water drinking program wound down.

Health

The Milwaukee Municipal Health Services Program expenditures decreased by approximately \$.5 million. Revenue and expenses fluctuate between years based on service delivery.

Culture & Recreation

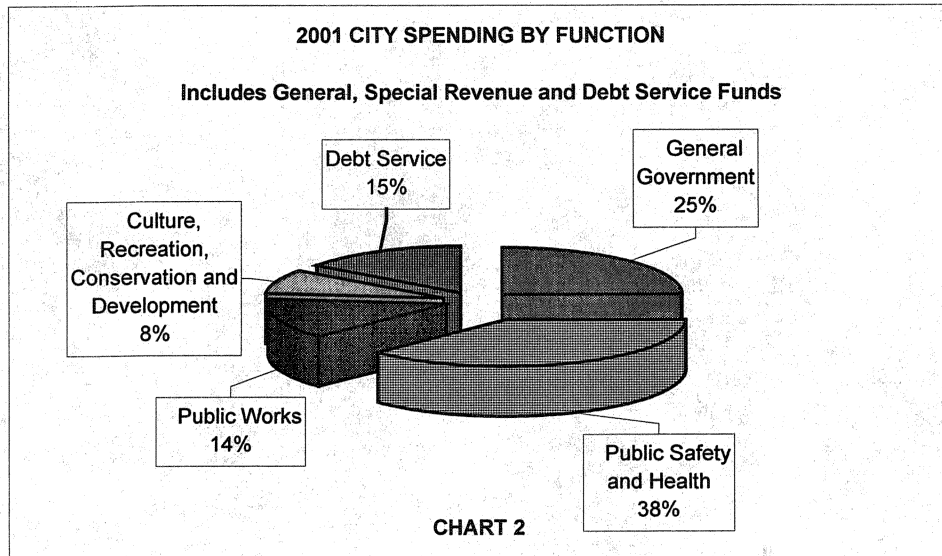
The \$.6 million decrease is primarily driven by a reduction in operating expenditures of \$.1 million and a reduction in equipment purchases of \$.5 million.

Conservation & Development

This category includes the Department of City Development in the General Fund and grants within the Special Revenue Funds. Grant increases of \$1.9 million account for most of the increases in this category driven by a \$1.6 million increase in expenditures in the Home Investment Partnership program. This is attributable to increased activity due to the stabilization in staff at a major subrecipient. Minor increases in other grants make up the balance of the increases.

Chart 2 shows a percentage breakdown of expenditures by function for the City of Milwaukee's general, special revenue and debt service funds for fiscal year 2001.

CITY OF MILWAUKEE  
LETTER OF TRANSMITTAL  
FOR THE YEAR ENDED DECEMBER 31, 2001



The City of Milwaukee maintains a Tax Stabilization Reserve as part of its General Fund to limit wide fluctuations in property tax rates. Withdrawals from the reserve are governed by the City's Code of Ordinances. The 2001 year-end balance in the Tax Stabilization Reserve is \$40.1 million. \$11 million is reserved for use in 2002 and \$29.1 million is available for reductions in future years' tax levies.

The City also maintains a Public Debt Amortization Fund as a debt service reserve. At the end of 2001, the balance in the Public Debt Amortization Fund was \$72.8 million for use in 2002 and subsequent years compared to a balance of \$74 million at December 31, 2000. Withdrawals from the Public Debt Amortization Fund were \$7 million in 2001 for 2002 budget purposes and \$11 million in 2000 for 2001 budget purposes.

**Enterprise Operations.** The City of Milwaukee's enterprise operations consist of various activities. The activities of the City's component units, all of which are enterprise funds, are not included in the analysis below. The following schedule compares net income or loss between years for the primary government's enterprise fund activities of the City.

NET INCOME OR (LOSS)	2001 AMOUNT	2000 AMOUNT Restated	INCREASE (DECREASE)	PERCENT OF INCREASE (DECREASE)
(THOUSANDS OF DOLLARS)				
Metropolitan Sewerage District User Charge	\$ 276	\$ 340	\$ (64)	(18.82)%
Parking	(1,477)	(2,887)	1,410	49.84
Port of Milwaukee	(1,493)	(940)	(553)	(58.83)
Sewer Maintenance	1,587	1,308	279	21.33
Solid Waste	1,865	1,865	1,865	100.00
Water Works	9,243	9,465	(222)	(2.35)
<b>TOTAL</b>	<b>\$ 10,001</b>	<b>\$ 7,286</b>	<b>\$ 2,715</b>	<b>1.13 %</b>

The purpose of the Sewer User Fund is to account for sewerage treatment charges by the Milwaukee Metropolitan Sewerage District to the City on a wholesale user charge basis and the subsequent billing by the City to customers on a retail basis. The ultimate goal is to have the fund break even each year. Revenue and expense remained stable between years.



CITY OF MILWAUKEE  
LETTER OF TRANSMITTAL  
FOR THE YEAR ENDED DECEMBER 31, 2001

The Parking Fund's net loss decreased by \$1.4 million between years. While the Parking Fund's operating income increased by \$13.2 between years, an operating transfer of \$15.0 million was made to the General Fund during 2001 pursuant to the 2001 adopted budget. The transfer of this equity from the Parking Fund to the General Fund helped offset the lack of growth in state shared revenue in the General Fund without causing an additional increase in the tax rate.

The Port of Milwaukee's net loss increased by about \$.5 million between years. Operating expenses decreased by \$.1 million between years while operating revenues increased by \$2.0 million. Approximately \$1.7 million was transferred to the General Fund pursuant to the 2001 adopted budget. The amount represented increased rental income from lakefront property leased to Milwaukee World Festival, Inc.

The Sewer Maintenance Fund showed a net income of \$1.5 million in 2001. Revenues increased \$3.3 million, primarily the result of a rate increase between years. Prior year net income was restated from a loss of \$3.3 million to a gain of \$1.3. Prior year capital outlay expenditures were capitalized in the restatement resulting in a decrease of \$4.7 million in operating expenses in 2001. The intent of this Fund is to pass through the cost of operation, maintenance, repair and depreciation of sewer collection and transportation facilities. Rates are adjusted annually to reflect the City's intent to break even.

The Solid Waste Fund showed a net gain of \$1.8 million. The 2001 budget first established a new enterprise fund for solid waste expenses. The intent of the Fund was to recover a portion of the solid waste collection costs through a user fee rather than the property tax. The Fund had net income of \$1.8 million for 2001, all of which equity was transferred to the General Fund at the end of 2001. The Fund ceases to exist for budget year 2002. The initiative proved unpopular with the citizens and was administratively cumbersome. Solid Waste expenses are recouped through the General Fund in 2002.

Water Works' net income decreased by \$.2 million primarily the result of a decrease in interest earnings of \$.5 million offset by a decrease in interest expense of \$.3 million. While available investable cash increased slightly between years, it was not sufficient to offset a decrease in the average interest earnings rate between years of 2.02%. Other revenue and expense increased and decreased by amounts which offset each other.

**Debt Administration.** Outstanding general obligation and special assessment debt at December 31, 2001, totaled \$643.3 million. Current maturities total \$78.5 million for a net \$564.8 million compared to \$531.6 million as of December 31, 2000. New general obligation bonds issued in 2001 totaled \$89.8 million. Tax exempt funds were borrowed for the following; \$24.9 million for tax incremental districts, \$17.4 million for schools, streets and sewers of \$17.1 million, \$11.1 million for police facilities, \$10.1 million for public buildings, \$2.9 million for bridges, \$2.0 million for parking, \$1.6 for urban renewal, and the balance of \$2.7 million for parks and public grounds, harbor, library, and fire improvements. The City also issued \$17.2 million of promissory notes of which \$13.6 was for financing delinquent real and personal property tax receivables and \$3.6 million was for financing various public improvement projects and fiscal requirements of the City.

In addition, the Public Debt Amortization Fund purchased and canceled \$7.0 million of general obligation debt in December 2001, for financing 2002 capital improvements. This financing technique assisted the City in utilizing available resources in the Amortization Fund in lieu of increasing the overall debt load. The Public Debt Amortization Fund also purchased for investment in 2001 \$4.8 million of City debt obligations. The Fund also made prepayment of \$3.3 million in special assessment related debt service in 2001 from segregated fund assets reserved for this purpose.

In June of 2001, the City issued \$26.0 million of general obligation refunding bonds (exempt) and \$4.7 million of taxable general obligation refunding bonds. Both series were offered so as to realize debt service savings and to pay associated financing costs. The net present value savings from these issues amounted to \$604 thousand. The percentage of net present value savings compared to the refunded par amounted to 1.78% for the taxable exempt offering and 3.48% for the taxable offering.

In November 2001, the City issued \$29.1 million of Sewerage System Revenue Bonds for the purpose of financing the costs of improvements to the City's sewerage system, including plant and equipment used for collection transportation, storage treatment and disposal of sewerage or storm water and surface water including necessary lateral, main, and interceptions sewers and defeasing the Sewer Maintenance Fund Bond Anticipation Note which had been issued in the prior year pending the issuance of sewer system revenue bonds. Repayment of the bonds will be payable solely from the net revenues and all funds and accounts and interest earned thereon in the Sewer Maintenance Fund. The Bonds are additionally secured by a mortgage lien upon the Sewerage System. Net assets in the Sewer Maintenance Fund total \$192.0 million.

The City's general obligation debt per capita, excluding enterprise fund debt, was \$951.16 at the end of 2001, a 10.23% increase from the prior year (See Table 7). As of December 31, 2001, the City's outstanding net general obligation debt was 3.3% of the City's equalized property value. The legal debt limit is 7% of equalized property value, including Milwaukee Public Schools debt, which also is issued by the City. Excluding the 2% limit on School debt, the City has a 5% legal debt limit and has reached about 62% of this limit. For the eleventh year, the City issued general obligation notes to purchase a portion of General Fund delinquent taxes in the amount of \$13.585 million. Collections on these taxes and related interest will be used to meet the related debt service requirements.

CITY OF MILWAUKEE  
LETTER OF TRANSMITTAL  
FOR THE YEAR ENDED DECEMBER 31, 2001

The City continues to maintain high investment grade ratings from the three major rating agencies. A rating of AA+ from Fitch Ratings, AA from Standard and Poor's Corporation, and Aa2 from Moody's Investors Service, Inc. were received on the City's recently issued (August, 2001) general obligation bonds.

In December 1992, the City Comptroller established a Debt Coordination Working Group, which initially included participation from Milwaukee County, the Metropolitan Sewerage District, and the Milwaukee Public Schools. In 1995, the Milwaukee Area Technical College was added to the group. The group was originally formed to review debt issuance patterns and to examine ways to minimize debt load on its citizens while meeting essential capital improvement needs over the following five years. The group issued its fifth report on Capital Spending and Debt in August, 2001 and intends to continue to plan and report on area wide coordination efforts, with the sixth report due to be issued in the summer of 2003.

**Cash Management.** Cash temporarily idle during the year and under the control of the City Treasurer was invested in demand deposits, certificates of deposit, obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and commercial paper. The average interest earnings rate for City funds invested by the City Treasurer was approximately 4.12% in 2001. Debt Service Fund, the Water Works Enterprise Fund and component entities maintain separate cash and investments. The City continued to use the State of Wisconsin Local Government Investment Pool as an option to provide flexibility for short-term investments while maintaining high standards of safety and liquidity. Deferred compensation and pension investments are controlled by their respective Boards. Participants in the City's Deferred Compensation Plan are allowed to select from various investment options.

During 2001, the City continued its aggressive use of financing techniques and investment instruments to increase its investment return. The City's use of cash flow borrowing in anticipation of either State Shared Revenues or State Educational Aid Revenues totaled \$214 million in 2001, compared to \$222 million in 2000. The financings were accomplished through two separate offerings - \$102 million in February 2001 for city purposes and \$112 million in August 2001 for school purposes. The timing of those offerings provided the City with an opportunity to earn additional interest on investments and still comply with the requirements of the Tax Reform Act of 1986. The second borrowing represented a joint effort with Milwaukee Public Schools to finance school operations on an interim basis pending the receipt of State Educational Aids.

In 2001 the average daily investable balance was \$189.8 million. The investable balance generates interest earnings for the City, which are used to offset the property tax levy.

**Property Taxes.** The property tax rate for the City of Milwaukee is a combined rate that includes the City of Milwaukee, Milwaukee Public Schools, Milwaukee County, Milwaukee Metropolitan Sewerage District, Milwaukee Area Technical College and the State of Wisconsin forestry tax. The overall tax rate for 2001, after the State Tax Credit, decreased slightly (.18%) from budget year 2000 to 2001. The City government rate increased by 8.2% or eighty cents to \$10.49. Decreased State Shared Aids was the primary factor in the city's tax rate increase. Decreased interest earnings and decreased reserve usage also contributed to this rate increase.

**Fund Balance.** The City's General Fund includes a tax stabilization reserve, which remained strong at \$40.1 million as of fiscal year-end. Withdrawals from the reserve are governed by City Ordinances. The Common Council authorized a withdrawal from the reserve for the 2002 budget year of \$11 million compared to \$5.5 million for budget year 2001. The withdrawal of over \$5.5 million more than 2001 reflected a balance between the goal of continuing to stabilize the reserve fund while limiting property tax increases. The City's other major reserve fund is the Public Debt Amortization Fund (PDAF) which provides a reserve for outstanding city debt. The balance in the PDAF also continued to remain stable at \$72.8 million and \$74 million at December 31, 2001 and 2000 respectively.

## ORGANIZATIONAL HIGHLIGHTS

### Neighborhood Schools Initiative

Milwaukee Public Schools (MPS) in the 21<sup>st</sup> century will undertake a major restructuring of how it serves the city's children. In October 1999, the Wisconsin Legislature passed the Neighborhood Schools Initiative. This initiative allows MPS to borrow up to \$170 million through the City of Milwaukee Redevelopment Authority in order to expand neighborhood school options in the city.

The Neighborhood Schools Initiative will build new neighborhood schools as well as expand existing schools in the areas of the city where most of its students reside. There is expected to be 11,000 new seats available in neighborhood schools with 750,000 square feet of additional space.

The Neighborhood Schools Initiative will be financed through borrowing authority granted by the State of Wisconsin and cost savings generated from programmatic changes. In February 2002, \$33.3 million of debt was issued for this purpose by the Redevelopment Authority.

CITY OF MILWAUKEE  
LETTER OF TRANSMITTAL  
FOR THE YEAR ENDED DECEMBER 31, 2001

New Library

The 2001 capital budget included \$1,635,000 to fund the first phase of a new library to replace the Finney Library. This project stems from the interest of Milwaukee Public Schools to acquire the existing Finney Library site for the construction of a new school. The first phase of the new library construction project included the initial planning and design throughout the spring and summer of 2001, with groundbreaking in the spring of 2002 and completion anticipated in 2002. The new library is expected to be approximately 20,000 square feet including a computer center. Total estimated cost of the new library is \$4,165,000, which will be funded in the 2001 and 2002 capital budgets.

E-Government and Technology Innovation

E-government and technology innovations promise to open up an entirely new range of opportunities for citizens to communicate with their government. Built around the City's new service-centered home page and web site design, e-government will offer a useful and valuable complement to an existing voice-based telephone system.

Residents may now choose to request a special garbage pickup or report an abandoned auto through the City's web site instead of phoning in their service needs. They can also avail themselves of certain unique opportunities that e-government provides, such as down loading permit or job application forms for convenience. E-government remains open for business 24 hours a day, 7 days a week.

In 2002, Milwaukee will expand upon both the efforts and successes realized a year earlier. To support this effort, the 2002 budget includes a \$.5 million technology innovation fund to encourage departments to re-engineer their operations.

Department of Public Works – Operations Division

The Department of Public Works (DPW) is a service-based department that faces a constant demand for services. These services include cleaner neighborhoods and better roads. In order to meet these challenges, DPW constantly reviews and revises its procedures and organizational structure to gain the necessary efficiencies allowing it to continue to provide required service levels.

The 2002 budget creates an Operations Division. The Operations Division will be comprised of the previously separated Forestry, Sanitation, and Buildings and Fleet Divisions. The division's greatest benefit will be improved services to Milwaukee residents, due to improved coordination of personnel, materials, and equipment. In addition, the reorganization is anticipated to save taxpayers \$500,000 annually.

Measurement Results

Each year, city outcome indicators are reviewed to identify progress toward achieving the city's strategic goals and objectives. Since 1994, 54 outcome indicators have been consistently monitored and tracked. Of these 54 measures, 78% demonstrate progress toward achieving the city's goals and 67% have already achieved their goals. By focusing on results, Milwaukee's government has improved the quality of life for city residents. Some areas of significant progress since 1994 include: Fire Death - Since 1994, fire deaths have dropped by 53%, from 15 in 1994 to 7 in 2000; Adult Health - The premature death rate for adults has dropped 13%, falling from 1.7 deaths per 1,000 adults to 1.4; Fiscal Management - The rate of return on the investments of city funds increased 42.5% to approximately 6.14%; and, Economic Prosperity - Equalized property values have grown by almost 12.8% annually in inflation adjusted terms since 1994.

Information Policy

The City's Information Policy Committee consisting of elected officials, department heads and public members continued to contribute in 2001. The Committee works toward formulating public policy guidelines for electronic information including access, use, documentation, integration, sale, distribution, and security; and provided policy direction and oversight.

Lending Practices

The Comptroller issued his tenth Annual Review of Lending Practices of Financial Institutions in July, 2001. This report analyses the trends in residential and business lending in a Target Area of Milwaukee where home ownership is the lowest. The report concludes that while residential lending in this Target Area has increased gradually over the past five years, the rate of Target Area lending is still only slightly more than one-third of such lending in the entire metropolitan area. Unfortunately, the report again concluded that lending institutions rejected over half of home improvement loan applications originating in the Target Area. In 2001, guidelines were established for a new Home Improvement Loan Fund to finance home improvements in the target area. In addition, the Wisconsin Housing and Economic Development Authority (WHEDA) established Home-Plus, its new home improvement loan program. The eleventh annual lending report will be published in July, 2002.

CITY OF MILWAUKEE  
LETTER OF TRANSMITTAL  
FOR THE YEAR ENDED DECEMBER 31, 2001

**ECONOMIC DEVELOPMENT**

Milwaukee has a diversified economy with strong service and manufacturing sectors. The service industry has almost 6,000 establishments and employs almost 142,000 people. Retail trade employs another 43,000 people at 2,600 establishments while manufacturing employs almost 53,000 in slightly over 1,000 businesses. Finance, insurance, entertainment, communication, and health care combined with personal business service activities, account for more than half of all employment in the City.

In 2001, Milwaukee experienced a considerable increase in new commercial and residential construction. The city issued 267 permits for new commercial and residential construction with a value of \$270 million, as compared to 225 permits for \$135 million in 2000. The City continued to promote economic development within 53 neighborhood commercial districts through the Mainstreets Program and through the creation of Business Improvement Districts.

The Department of City Development, through its various grants and loan programs, assisted 198 companies who retained or created more than 2,700 jobs. The \$14 million of City investment leveraged more than \$220 million in private investment – a \$15 return per every dollar invested by the City.

The economic growth of downtown Milwaukee continued as well in 2001 with several residential, cultural and commercial developments either completed or announced. Since 1997, 1,155 new residential units have been built, representing more than \$162 million in new investment. Another 2,126 units are planned or currently under construction, which represent more than \$475 million in private investment. Downtown also saw the grand opening of the \$50 million ASQ Center, the new renovated Boston Store and a number of retail, restaurants and entertainment venues. Plans for two new Class-A office towers were also announced and work continued on the renovation and reposition of the Grand Avenue Mall.

Development throughout Milwaukee's neighborhoods continued as well with the addition of 523 new housing developments completed or occupied with another 600 units under construction. Ground was broken for the \$57 million Midtown Center, which will fully redevelop the aging Capitol Court Mall. The project has already attracted a Wal-Mart as well as a leading regional grocery chain. A number of national and regional retailers either opened or are planning new developments and property values in commercial Business Improvement Districts increased significantly.

The year 2001 also saw the openings of two nationally recognized, one-of-kind attractions – Miller Park, a new baseball stadium for the Milwaukee Brewers, and the \$100 million Santiago Calatrava designed addition to the Milwaukee Art Museum.

**OTHER**

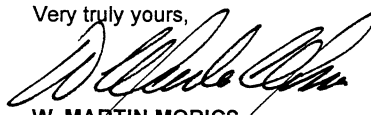
**Independent Audit.** The accounting firm of KPMG LLP performed the City's annual audit for 2001. The firm was chosen in 1999 to conduct an audit for the fiscal year ended December 31, 1999 by an audit selection committee including elected officials, citizens and City staff based on an evaluation of responses to a request for proposal. The firm succeeded itself as the City's auditors, permissible under the City's auditor selection policy. Their current contract with the City will continue through fiscal year 2002 upon written agreement.

**Awards.** The City of Milwaukee was awarded a Certificate of Commendation from the Governmental Reporting Awards Through Evaluation organization (GRATE) for achieving a high level of quality in its annual financial statements through the utilization of GAAP for the fiscal year ended December 31, 2000. This was the seventeenth consecutive year that the City received this prestigious award.

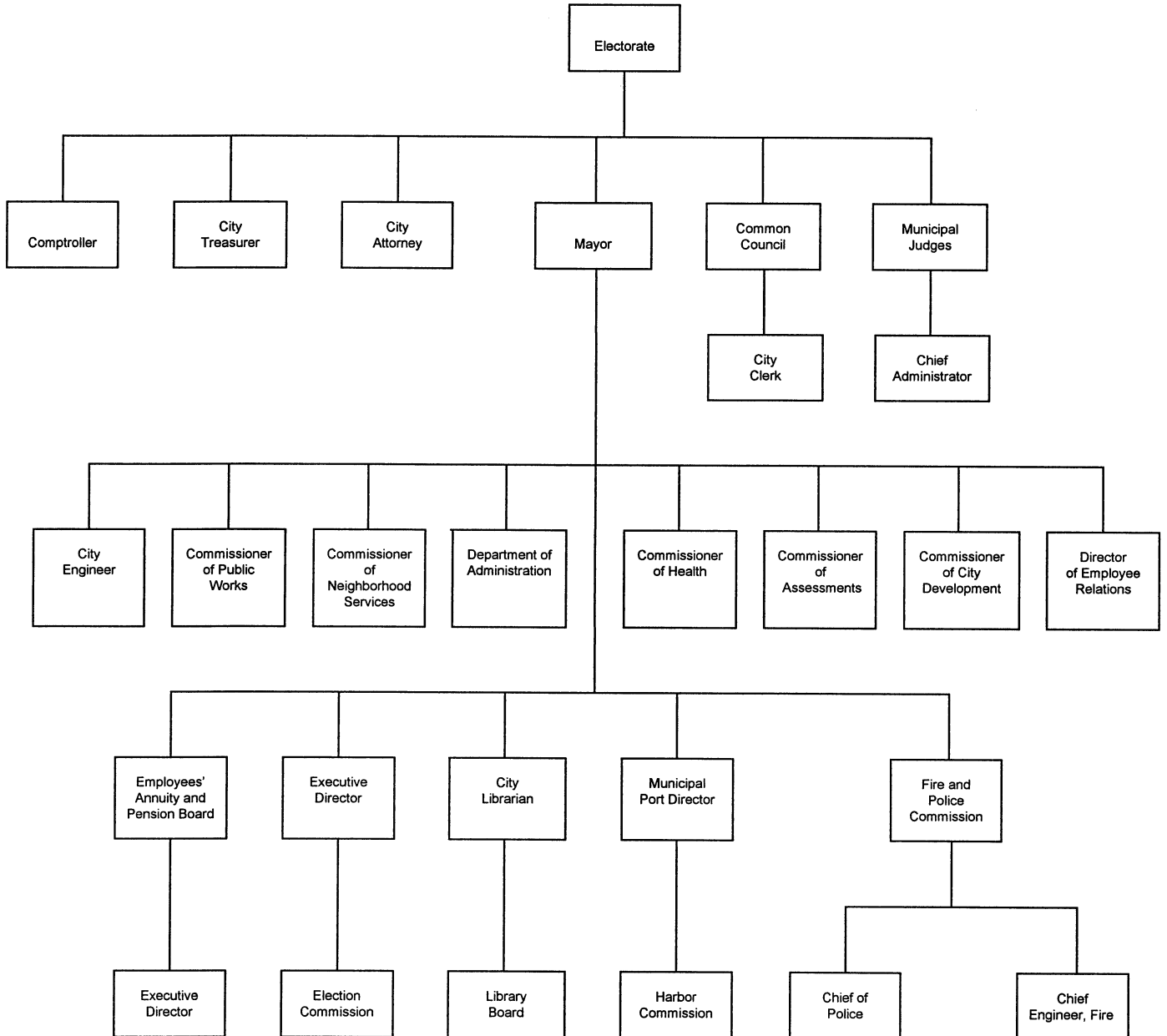
We believe that our current Comprehensive Annual Financial Report continues to meet the GRATE Organization's requirements, and we will submit this document to GRATE for award consideration.

**Acknowledgements.** The timely preparation of this report could not have been accomplished without the cooperation, dedication, and extensive involvement of the staff of the Office of the Comptroller and the able assistance of our independent auditors, KPMG LLP, as well as the accounting personnel of our component units. Special commendation and appreciation should be accorded to the dedicated staff of the Comptroller's Office for their many hours of excellent professional services in the preparation of this Comprehensive Annual Financial Report. In addition, I convey my appreciation to you and members of your respective staffs for your interest and support in planning and conducting the fiscal affairs of the City throughout the past year. The City will continue to remain fiscally sound through our cooperative efforts.

Very truly yours,

  
W. MARTIN MORICS  
Comptroller

City of Milwaukee  
**ORGANIZATION CHART**  
DECEMBER 31, 2001



CITY OF MILWAUKEE  
NAMES OF PRINCIPAL OFFICIALS  
DECEMBER 31, 2001

**ELECTED**

Mayor .....	John O. Norquist
Comptroller .....	W. Martin Morics
City Treasurer .....	Wayne F. Whittow
City Attorney .....	Grant F. Langley
Municipal Judge .....	Louis B. Butler, Jr.
Municipal Judge .....	James A. Gramling, Jr.
Municipal Judge .....	Vincent J. Bobot

**COMMON COUNCIL**

President .....	Marvin E. Pratt
-----------------	-----------------

**Aldermanic District**

**Alderman**

First .....	Marvin E. Pratt
Second .....	Terrance Herron
Third .....	Michael S. D'Amato
Fourth .....	Paul A. Henningsen
Fifth .....	James A. Bohl, Jr.
Sixth .....	Marlene E. Johnson-Odom
Seventh .....	Fredrick G. Gordon
Eighth .....	Robert G. Donovan
Ninth .....	Donald F. Richards
Tenth .....	Rosa N. Cameron
Eleventh .....	Vacant
Twelfth .....	Angel Sanchez
Thirteenth .....	Jeffrey A. Pawlinski
Fourteenth .....	Suzanne M. Breier
Fifteenth .....	Thomas G. Nardelli
Sixteenth .....	Michael J. Murphy
Seventeenth .....	Willie L. Hines, Jr.

**FINANCE RELATED (Non-Elected)**

Administration Director .....	David R. Riemer
Budget & Management Director .....	Laura J. Engan
City Purchasing Director .....	Cheryl L. Oliva
Commissioner of Assessments .....	Mary P. Reavey
Information Systems Director .....	Randolf A. Gschwind



GOVERNMENTAL  
REPORTING  
AWARDS  
THROUGH  
EVALUATION

The Key to Better Local Government Financial Reporting

## CERTIFICATE OF COMMENDATION

GRATE  
hereby awards this  
Certificate of Commendation to

**City of Milwaukee**

for achieving a high level of quality in its  
annual financial statements through the utilization of  
Generally Accepted Accounting Principles (GAAP),  
and accepting its responsibility for  
credibility in its financial statements.

For the year ended

**December 31, 2000**

*Todd P. Toppe*

President, GRATE Board of Directors

*Robert Yahr*

Marquette University  
(Technical Services)

This page left blank intentionally.



**F  
I  
N  
A  
N  
C  
I  
A  
L  
  
S  
E  
C  
T  
I  
O  
N**

This page left blank intentionally.



777 East Wisconsin Avenue  
Milwaukee, WI 53202

## Independent Auditors' Report

To the Honorable Members  
of the Common Council  
of the City of Milwaukee:

We have audited the accompanying general purpose financial statements of the City of Milwaukee (a municipality incorporated under the laws of the State of Wisconsin) as of and for the year ended December 31, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's Comptroller. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Milwaukee as of December 31, 2001, and results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in note 1 of the notes to the financial statements, during the year ended December 31, 2001, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues*.

As described in note 13 of the notes to the financial statements, the City restated the beginning retained earnings of the enterprise funds.

Our audit was made for the purpose of expressing an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Milwaukee. Such information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

**KPMG LLP**

Milwaukee, Wisconsin  
May 31, 2002



This page left blank intentionally.

## **COMBINED STATEMENTS - OVERVIEW**

(“Liftable” GENERAL PURPOSE FINANCIAL  
STATEMENTS)

CITY OF MILWAUKEE  
**COMBINED BALANCE SHEET -**  
**ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS**  
**DECEMBER 31, 2001**  
**WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000**  
*(Thousands of Dollars)*

Exhibit 1

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>ASSETS AND OTHER DEBITS</b>				
Assets:				
Cash and cash equivalents .....	\$ 29,769	\$ 21,962	\$ 50,433	\$ 27,889
Investments .....			65,519	
Receivables (net):				
Taxes .....	21,091	8,597		
Accounts .....	19,014	2,036		2,286
Unbilled accounts .....	1,835			
Special assessments .....				13,610
Notes and loans .....	670	6,307	17,637	
Accrued interest .....	604	2	228	
Due from other funds .....	23,988			
Due from primary government .....				
Due from component units .....	3,395		18,999	
Due from other governmental agencies .....	981	11,881		10,451
Other receivables .....	12,222			
Inventory of materials and supplies .....	5,652			203
Inventory of property for resale .....	26			
Prepaid items .....	1,019			
Deferred charges .....				
Other assets .....				
Restricted Assets:				
Cash and cash equivalents .....				
Investments .....	281			
Loans receivables .....				
Land .....				
Buildings .....				
Infrastructure .....				
Improvements other than buildings .....				
Machinery and equipment .....				
Furniture and furnishings .....				
Construction work in progress .....				
Nonutility property .....				
Accumulated depreciation .....				
Other Debits:				
Resources available in Governmental Funds .....				
Resources to be Provided for:				
Retirement of general obligation debt .....				
Unfunded compensated absences .....				
Unfunded claims and judgments .....				
<b>Total Assets and Other Debits .....</b>	<b>\$ 120,547</b>	<b>\$ 50,785</b>	<b>\$ 152,816</b>	<b>\$ 54,439</b>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>				
Liabilities:				
Accounts payable .....	\$ 21,716	\$ 4,953	\$	\$ 10,406
Accrued wages .....	28,155	322		424
Accrued expenses .....				

Proprietary Fund Type Enterprise	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only) Primary Government	Component Units	Totals (Memorandum Only) Reporting Entity	
	Trust and Agency	General Fixed Assets	General Long-Term Obligations			2001	2000 (Restated)
\$ 26,803	\$ 315,964 5,405	\$	\$	\$ 472,820 70,924	\$ 33,744 18,230	\$ 506,564 89,154	\$ 373,253 91,756
	124,485			154,173		154,173	172,865
24,972				48,308	7,235	55,543	55,915
9,597				11,432		11,432	11,036
				13,610		13,610	13,233
	467			25,081	63,770	88,851	82,400
36				870	416	1,286	1,635
564				24,552		24,552	13,171
				-	973	973	2,112
				22,394		22,394	17,270
				23,313	16,686	39,999	40,620
				12,222		12,222	12,694
2,616				8,471		8,471	8,370
				26	11,274	11,300	10,954
29				1,048	2,021	3,069	2,173
367				367		367	2
367				367	1,128	1,495	1,388
23,365				23,365	1,809	25,174	3,585
	374,371			374,652	14,543	389,195	402,772
				-		-	40
19,719		39,694		59,413	40,007	99,420	98,132
80,455		132,870		213,325	294,058	507,383	464,463
265,856				265,856		265,856	
278,481				278,481		278,481	271,681
193,864		97,353		291,217	4,599	295,816	290,978
78				78	114	192	311
20,145		82,939		103,084	38,507	141,591	125,201
540				540		540	540
(246,498)				(246,498)	(139,898)	(386,396)	(278,601)
			128,874	128,874		128,874	117,488
			437,555	437,555		437,555	405,015
			33,360	33,360		33,360	30,534
			36,945	36,945		36,945	43,520
<u>\$ 701,356</u>	<u>\$ 820,692</u>	<u>\$ 352,856</u>	<u>\$ 636,734</u>	<u>\$ 2,890,225</u>	<u>\$ 409,216</u>	<u>\$ 3,299,441</u>	<u>\$ 2,886,506</u>
\$ 12,636	\$ 1,152	\$	\$	\$ 50,863	\$ 18,237	\$ 69,100	\$ 67,793
3,445				32,346	18	32,364	30,996
866				866	4,280	5,146	6,505

CITY OF MILWAUKEE  
**COMBINED BALANCE SHEET -**  
**ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS**  
 DECEMBER 31, 2001  
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000  
 (Thousands of Dollars)

Exhibit 1 (Continued)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities (Continued):				
Due to other funds .....	\$	\$ 8,543	\$ 1,194	\$ 617
Due to primary government .....				
Due to component units .....		973		
Due to other governmental agencies .....		776		6,284
Bonds and notes payable - current .....				
General obligation debt payable - current .....				
Deferred revenue .....	1,832	12,733	36,636	15,010
Bond anticipation notes payable .....				
Bonds and notes payable .....				
General obligation debt .....				
Unfunded compensated absences .....				
Unfunded claims and judgments .....				
Revenue bonds payable .....				
Other payables .....				12,222
Advances from other governmental agencies .....				
Other liabilities .....				
<b>Total Liabilities .....</b>	<b>\$ 51,703</b>	<b>\$ 28,300</b>	<b>\$ 37,830</b>	<b>\$ 44,963</b>
Fund Equity and Other Credits:				
Contributed capital .....	\$	\$	\$	\$
Investment in general fixed assets .....				
Retained Earnings:				
Unreserved .....				
Reserved for restricted assets .....				
Fund Balances:				
Reserved for debt service - 2002 (2001) .....		13,381	42,137	
Reserved for future retirement of general obligation debt .....		507	72,849	
Reserved for delinquent taxes receivable .....		8,597		
Reserved for encumbrances, prepaids, and carryovers .....	22,460			21,658
Reserved for inventory .....	5,678			203
Reserved for mortgage trust .....	281			
Reserved for environmental remediation .....	303			
Reserved for deferred compensation .....				
Reserved for tax stabilization - 2002 (2001) .....	11,000			
Reserved for tax stabilization - 2003 (2002) and subsequent years' budgets .....	29,122			
Unreserved:				
Special assessment (deficit) .....				(12,385)
Undesignated .....				
<b>Total Fund Equity and Other Credits .....</b>	<b>\$ 68,844</b>	<b>\$ 22,485</b>	<b>\$ 114,986</b>	<b>\$ 9,476</b>
<b>Total Liabilities, Fund Equity and Other Credits .....</b>	<b>\$ 120,547</b>	<b>\$ 50,785</b>	<b>\$ 152,816</b>	<b>\$ 54,439</b>

The notes to the financial statements are an integral part of this statement.



Proprietary Fund Type Enterprise	Fiduciary Fund Type	Account Groups		(Memorandum Only) Primary Government	Component Units	Totals (Memorandum Only) Reporting Entity	
	Trust and Agency	General Fixed Assets	General Long-Term Obligations			2000	
							2001
\$ 14,198	\$	\$	\$	\$ 24,552	\$	\$ 24,552	\$ 13,171
				-	22,394	22,394	17,270
				973		973	2,112
	124,805			131,865	10,809	142,674	68,085
				-	2,672	2,672	2,454
9,659				9,659		9,659	9,496
61	200,640			266,912	3,923	270,835	261,072
				-		-	6,258
	112,000			112,000	8,420	120,420	110,642
67,905			566,429	634,334		634,334	596,573
			33,360	33,360		33,360	30,534
			36,945	36,945		36,945	43,520
44,361				44,361	11,461	55,822	28,451
				12,222		12,222	12,694
				-	7,963	7,963	1,358
				-	4,914	4,914	3,324
<u>\$ 153,131</u>	<u>\$ 438,597</u>	<u>\$ -</u>	<u>\$ 636,734</u>	<u>\$ 1,391,258</u>	<u>\$ 95,091</u>	<u>\$ 1,486,349</u>	<u>\$ 1,312,308</u>
\$ 303,614	\$	\$	\$	\$ 303,614	\$ 289,516	\$ 593,130	\$ 413,259
		352,856		352,856		352,856	329,186
221,246				221,246	24,609	245,855	248,121
23,365				23,365		23,365	
				55,518		55,518	43,481
				73,356		73,356	74,007
				8,597		8,597	7,963
				44,118		44,118	43,164
				5,881		5,881	6,213
				281		281	281
				303		303	304
	374,371			374,371		374,371	387,461
				11,000		11,000	5,500
				29,122		29,122	17,909
				(12,385)		(12,385)	(11,745)
	7,724			7,724		7,724	9,094
<u>\$ 548,225</u>	<u>\$ 382,095</u>	<u>\$ 352,856</u>	<u>\$ -</u>	<u>\$ 1,498,967</u>	<u>\$ 314,125</u>	<u>\$ 1,813,092</u>	<u>\$ 1,574,198</u>
<u>\$ 701,356</u>	<u>\$ 820,692</u>	<u>\$ 352,856</u>	<u>\$ 636,734</u>	<u>\$ 2,890,225</u>	<u>\$ 409,216</u>	<u>\$ 3,299,441</u>	<u>\$ 2,886,506</u>

CITY OF MILWAUKEE  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000**  
*(Thousands of Dollars)*

Exhibit 2

	<b>General</b>	<b>Special Revenue</b>
<b>Revenues:</b>		
Property taxes .....	\$ 118,804	\$
Other taxes .....	12,688	
Special assessments .....		
Licenses and permits .....	10,485	
Intergovernmental .....	278,969	61,220
Charges for services .....	54,594	
Fines and forfeits .....	4,408	
Other .....	12,408	998
<b>Total Revenues</b> .....	<b><u>\$ 492,356</u></b>	<b><u>\$ 62,218</u></b>
<b>Expenditures:</b>		
<b>Current:</b>		
General government .....	\$ 162,628	\$ 1,619
Public safety .....	209,521	13,758
Public works .....	87,453	3,566
Health .....	11,237	11,800
Culture and recreation .....	16,948	2,202
Conservation and development .....	7,922	28,280
Other .....		
Capital outlay .....		
<b>Debt Service:</b>		
Principal retirement .....		
Interest .....		
<b>Total Expenditures</b> .....	<b><u>\$ 495,709</u></b>	<b><u>\$ 61,225</u></b>
<b>Excess of Revenues over (under) Expenditures</b> .....	<b><u>\$ (3,353)</u></b>	<b><u>\$ 993</u></b>
<b>Other Financing Sources (Uses):</b>		
Proceeds of bonds and notes .....	\$ 7,071	\$ 13,585
Payment to refunded bond escrow agent .....		
Operating transfers in .....	24,365	
Operating transfers out .....	(104)	(13,045)
Operating transfers to component units .....	(150)	
Contributions received .....	675	
Contributions used .....	(462)	
<b>Total Other Financing Sources (Uses)</b> .....	<b><u>\$ 31,395</u></b>	<b><u>\$ 540</u></b>
<b>Excess of Revenues and Other Sources over (under) Expenditures and Other Uses</b> .....	<b><u>\$ 28,042</u></b>	<b><u>\$ 1,533</u></b>
<b>Fund Balances - January 1</b> .....	<b>38,894</b>	<b>21,008</b>
<b>Residual Equity Transfers from Other Funds</b> .....	<b>1,921</b>	
<b>Residual Equity Transfers to Other Funds</b> .....	<b><u>(13)</u></b>	<b><u>(56)</u></b>
<b>Fund Balances - December 31</b> .....	<b><u>\$ 68,844</u></b>	<b><u>\$ 22,485</u></b>

*The notes to the financial statements are an integral part of this statement.*

Governmental Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
Debt Service	Capital Projects	Expendable Trust	Reporting Entity	Reporting Entity
			2001	2000
\$ 69,691	\$ 2,161	\$	\$ 190,656	\$ 158,718
1,358			14,046	13,859
	3,807		3,807	3,930
	8,504		10,485	10,154
			348,693	348,157
			54,594	45,383
			4,408	18,036
<u>26,342</u>	<u>6,265</u>	<u>11,618</u>	<u>57,631</u>	<u>69,462</u>
<u>\$ 97,391</u>	<u>\$ 20,737</u>	<u>\$ 11,618</u>	<u>\$ 684,320</u>	<u>\$ 667,699</u>
\$ 2	\$	\$	\$ 164,249	\$ 159,103
			223,279	235,157
			91,019	105,374
			23,037	23,568
			19,150	19,764
			36,202	34,074
		26,195	26,195	23,054
	104,479		104,479	77,629
71,904			71,904	70,143
<u>26,581</u>			<u>26,581</u>	<u>23,733</u>
<u>\$ 98,487</u>	<u>\$ 104,479</u>	<u>\$ 26,195</u>	<u>\$ 786,095</u>	<u>\$ 771,599</u>
<u>\$ (1,096)</u>	<u>\$ (83,742)</u>	<u>\$ (14,577)</u>	<u>\$ (101,775)</u>	<u>\$ (103,900)</u>
\$ 23,216	\$ 76,853	\$	\$ 120,725	\$ 91,227
(23,216)			(23,216)	
28,686		104	53,155	37,842
(16,628)	(2,883)		(32,660)	(34,961)
			(150)	(150)
			675	536
			<u>(462)</u>	<u>(685)</u>
<u>\$ 12,058</u>	<u>\$ 73,970</u>	<u>\$ 104</u>	<u>\$ 118,067</u>	<u>\$ 93,809</u>
\$ 10,962	\$ (9,772)	\$ (14,473)	\$ 16,292	\$ (10,091)
104,443	22,732	396,555	583,632	597,123
3,484		13	5,418	473
<u>(3,903)</u>	<u>(3,484)</u>		<u>(7,456)</u>	<u>(3,873)</u>
<u>\$ 114,986</u>	<u>\$ 9,476</u>	<u>\$ 382,095</u>	<u>\$ 597,886</u>	<u>\$ 583,632</u>

CITY OF MILWAUKEE  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - GENERAL AND BUDGETED SPECIAL REVENUE FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**  
*(Thousands of Dollars)*

Exhibit 3

			General Fund
	Amended Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
<b>Revenues:</b>			
Property taxes .....	\$ 118,804	\$ 118,804	\$ -
Other taxes .....	12,113	12,688	575
Licenses and permits .....	8,817	10,485	1,668
Intergovernmental .....	278,732	278,969	237
Charges for services .....	55,401	54,594	(807)
Fines and forfeits .....	5,510	4,408	(1,102)
Other .....	13,085	12,408	(677)
<b>Total Revenues .....</b>	<b>\$ 492,462</b>	<b>\$ 492,356</b>	<b>\$ (106)</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General government .....	\$ 171,803	\$ 162,628	\$ 9,175
Public safety .....	210,274	209,521	753
Public works .....	87,574	87,453	121
Health .....	11,370	11,237	133
Culture and recreation .....	17,351	16,948	403
Conservation and development .....	8,688	7,922	766
<b>Total Expenditures .....</b>	<b>\$ 507,060</b>	<b>\$ 495,709</b>	<b>\$ 11,351</b>
<b>Excess of Revenues over (under) Expenditures .....</b>	<b>\$ (14,598)</b>	<b>\$ (3,353)</b>	<b>\$ 11,245</b>
<b>Other Financing Sources (Uses):</b>			
Operating transfers in .....	\$ 22,708	\$ 24,365	\$ 1,657
Operating transfers out .....	(104)	(104)	-
Operating transfers to component units .....	(150)	(150)	-
Contributions received .....	675	675	-
Contributions used .....	(463)	(462)	1
Use of fund balance - reserved for tax stabilization .....	5,500	5,500	-
<b>Total Other Financing Sources (Uses) .....</b>	<b>\$ 28,166</b>	<b>\$ 29,824</b>	<b>\$ 1,658</b>
<b>Excess of Revenues and Other Sources over (under) Expenditures and Other Uses .....</b>	<b>\$ 13,568</b>	<b>\$ 26,471</b>	<b>\$ 12,903</b>
<b>Fund Balances - January 1 (Excludes Reserved for Tax Stabilization) .....</b>	<b>40,465</b>	<b>40,465</b>	<b>-</b>
<b>Residual Equity Transfers from Other Funds .....</b>	<b>10</b>	<b>1,921</b>	<b>1,911</b>
<b>Residual Equity Transfers to Other Funds .....</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>
<b>Fund Balances (Deficits) - December 31 .....</b>	<b>\$ 54,043</b>	<b>\$ 68,844</b>	<b>\$ 14,801</b>

The notes to the financial statements are an integral part of this statement.

Special Revenue Funds			Totals (Memorandum Only) Reporting Entity		
Amended Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)	Amended Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
\$	\$	\$ -	\$ 118,804	\$ 118,804	\$ -
		-	12,113	12,688	575
		-	8,817	10,485	1,668
61,647	61,220	(427)	340,379	340,189	(190)
		-	55,401	54,594	(807)
		-	5,510	4,408	(1,102)
		-	13,085	12,408	(677)
<u>\$ 61,647</u>	<u>\$ 61,220</u>	<u>\$ (427)</u>	<u>\$ 554,109</u>	<u>\$ 553,576</u>	<u>\$ (533)</u>
\$ 1,558	\$ 1,558	\$ -	\$ 173,361	\$ 164,186	\$ 9,175
13,797	13,758	39	224,071	223,279	792
3,571	3,566	5	91,145	91,019	126
12,233	11,800	433	23,603	23,037	566
2,208	2,202	6	19,559	19,150	409
28,280	28,280	-	36,968	36,202	766
<u>\$ 61,647</u>	<u>\$ 61,164</u>	<u>\$ 483</u>	<u>\$ 568,707</u>	<u>\$ 556,873</u>	<u>\$ 11,834</u>
\$ -	\$ 56	\$ 56	\$ (14,598)	\$ (3,297)	\$ 11,301
\$	\$	\$ -	\$ 22,708	\$ 24,365	\$ 1,657
		-	(104)	(104)	-
		-	(150)	(150)	-
		-	675	675	-
		-	(463)	(462)	1
		-	5,500	5,500	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,166</u>	<u>\$ 29,824</u>	<u>\$ 1,658</u>
\$ -	\$ 56	\$ 56	\$ 13,568	\$ 26,527	\$ 12,959
		-	40,465	40,465	-
		-	10	1,921	1,911
	(56)	(56)	-	(69)	(69)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,043</u>	<u>\$ 68,844</u>	<u>\$ 14,801</u>

This page left blank intentionally.

CITY OF MILWAUKEE  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS -**  
**ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000**  
*(Thousands of Dollars)*

Exhibit 4

	Enterprise	Component	Totals (Memorandum Only)	
	Primary	Units	Reporting Entity	
	Government		2001	2000 (Restated)
Operating Revenues:				
Charges for services .....	\$ 187,016	\$ 22,157	\$ 209,173	\$ 147,234
Operating Expenses:				
Milwaukee Metropolitan Sewerage District charges .....	\$ 24,871	\$	\$ 24,871	\$ 26,211
Employee services .....	33,583	892	34,475	11,913
Administrative and general .....	5,202	20,025	25,227	25,303
Housing assistance payments .....		18,292	18,292	17,016
Depreciation .....	14,887	15,555	30,442	29,190
Transmission and distribution .....	16,492		16,492	16,683
Maintenance and utilities .....		15,112	15,112	13,333
Services, supplies and materials .....	34,349	104	34,453	13,353
Payment in lieu of taxes .....	8,922		8,922	9,156
Water treatment .....	8,295		8,295	7,919
Water pumping .....	4,990		4,990	5,051
Billing and collection .....	4,084		4,084	3,532
Bad debts .....		(510)	(510)	859
Interest expense and subsidies .....		80	80	88
Rehabilitation costs (cost recoveries) .....		6,460	6,460	4,174
Show expenses .....		148	148	198
Other operating expenses .....		372	372	1,220
Total Operating Expenses .....	\$ 155,675	\$ 76,530	\$ 232,205	\$ 185,199
Operating Income (Loss) .....	\$ 31,341	\$ (54,373)	\$ (23,032)	\$ (37,965)
Nonoperating Revenues (Expenses):				
Federal grants and subsidies .....	\$	\$ 59,417	\$ 59,417	\$ 35,250
Interest income .....	617	3,928	4,545	6,429
Interest expense .....	(4,654)	(1,950)	(6,604)	(7,088)
Loss on early repayments of Tax Incremental Districts ...		(816)	(816)	
Net gain (loss) on sale of fixed assets .....		(197)	(197)	(12,163)
Contributions .....		129	129	139
Other .....	(401)	3,634	3,233	1,341
Total Nonoperating Revenues (Expenses) .....	\$ (4,438)	\$ 64,145	\$ 59,707	\$ 23,908
Income (Loss) before Operating Transfers .....	\$ 26,903	\$ 9,772	\$ 36,675	\$ (14,057)
Operating Transfers In .....	9,018		9,018	9,467
Operating Transfers Out .....	(29,513)		(29,513)	(12,348)
Operating Transfers from Primary Government .....		150	150	150
Net Income (Loss) before Capital Contributions.....	\$ 6,408	\$ 9,922	\$ 16,330	\$ (16,788)
Capital Contributions .....	3,593	3,041	6,634	
Net Income (Loss) .....	\$ 10,001	\$ 12,963	\$ 22,964	\$ (16,788)
Retained Earnings - January 1, as restated .....	236,475	11,646	248,121	264,909
Residual Equity Transfer to Other Funds .....	(1,865)		(1,865)	-
Retained Earnings - December 31 .....	\$ 244,611	\$ 24,609	\$ 269,220	\$ 248,121

The notes to the financial statements are an integral part of this statement.

CITY OF MILWAUKEE  
**COMBINED STATEMENT OF CASH FLOWS -**  
**ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000**  
*(Thousands of Dollars)*

Exhibit 5

	Enterprise Primary Government	Component Units	Totals (Memorandum Only) Reporting Entity	
			2001	2000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating income (loss) .....	\$ 31,341	\$ (54,373)	\$ (23,032)	\$ (37,965)
Adjustments to Reconcile Operating Income (Loss) to Cash				
Provided by (Used for) Operating Activities:				
Depreciation .....	14,887	15,555	30,442	29,190
Bad debt expense .....		(510)	(510)	859
(Gain) loss on properties .....		(197)	(197)	11,724
Other nonoperating revenues (expenses) .....	560		560	425
(Increase) decrease in receivables .....	(2,411)	(11,037)	(13,448)	(12,346)
(Increase) decrease in due from other funds .....	50		50	(158)
(Increase) decrease in due from primary government .....		1,139	1,139	(2,094)
(Increase) decrease in due from other governmental agencies .....		2,412	2,412	(9,077)
(Increase) decrease in inventory of materials and supplies .....	(433)		(433)	1,063
(Increase) decrease in inventory of property for resale .....		513	513	4,220
(Increase) decrease in prepaid items .....	77	(355)	(278)	(126)
(Increase) decrease in deferred charges .....	(365)		(365)	(2)
(Increase) decrease in other assets .....	616	(599)	17	176
Increase (decrease) in accounts payable .....	(499)	7,690	7,191	6,265
Increase (decrease) in accrued wages .....	209		209	53
Increase (decrease) in accrued expenses .....	866	(2,225)	(1,359)	1,623
Increase (decrease) in due to other funds .....	9,465		9,465	(2,298)
Increase (decrease) in due to primary government .....		5,304	5,304	1,502
Increase (decrease) in due to other governmental agencies .....		5,208	5,208	(5,319)
Increase (decrease) in deferred revenue .....	10	(7,601)	(7,591)	6,200
Increase (decrease) in other liabilities .....		1,520	1,520	2,386
Net Cash Provided by (Used for) Operating Activities .....	\$ 54,373	\$ (37,556)	\$ 16,817	\$ (3,699)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Operating transfers to other funds .....	\$ (20,755)	\$	\$ (20,755)	\$ (3,152)
Other nonoperating revenues (expenses) .....		9,297	9,297	4,179
Contributions .....		54,195	54,195	31,066
Proceeds from bonds and notes payable .....		10,596	10,596	1,765
Retirement of bonds, notes and revenue bonds .....		(3,647)	(3,647)	(773)
Residual Equity transfer to other funds .....	(1,865)		(1,865)	
Net increase (decrease) in due to primary government .....		(182)	(182)	296
Loss on early repayment of Tax Incremental Districts .....		(816)	(816)	
Operating transfer from primary government .....		150	150	150
Net Cash Provided by (Used for) Noncapital Financing Activities .....	\$ (22,620)	\$ 69,593	\$ 46,973	\$ 33,531
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Capital contributions .....	\$ 4,028	\$ 958	\$ 4,986	\$ 34,667
Proceeds from bond anticipation notes .....			-	6,258
Proceeds from sale of bonds and notes .....	10,440		10,440	4,891
Proceeds from sale of revenue bonds .....	29,862		29,862	
Bond issuance costs .....	(416)		(416)	
Acquisition of property, plant and equipment .....	(20,531)	(35,118)	(55,649)	(64,867)
Retirement of bonds, notes and revenue bonds .....	(15,783)	(58)	(15,841)	(8,713)
Payment to refunded bond escrow agent .....	(7,689)		(7,689)	



CITY OF MILWAUKEE  
**COMBINED STATEMENT OF CASH FLOWS -**  
**ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000**  
*(Thousands of Dollars)*

Exhibit 5 (Continued)

	Enterprise Primary Government	Component Units	Totals (Memorandum Only) Reporting Entity 2001	2000 (Restated)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES (Continued):</b>				
Retirement of general obligation debt .....	\$	\$	\$ -	\$ (8,950)
Interest paid .....	(4,644)	(1,950)	(6,594)	(6,073)
Sale of land and other assets .....			-	26
Transfer to fiscal agent .....	(29,975)		(29,975)	
Transfer from fiscal agent .....	6,258		6,258	
Operating transfers to other funds .....	260		260	271
Repairs and restorations .....	(1,394)		(1,394)	(422)
Decrease in fiscal agent funds .....		487	487	11,135
Net proceeds from sale of property, plant and equipment .....			-	(1,271)
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities ...</b>	<b>\$ (29,584)</b>	<b>\$ (35,681)</b>	<b>\$ (65,265)</b>	<b>\$ (33,048)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest income .....	\$ 612	\$ 3,928	\$ 4,540	\$ 6,399
Increase (decrease) in fiscal agent funds .....	23,365		23,365	
Purchases of investments .....		(26,849)	(26,849)	(17,243)
Proceeds from the sale and maturity of investments .....	4,000	22,384	26,384	13,649
New loans made .....		(9,332)	(9,332)	(11,916)
Loan payments received .....		13,465	13,465	6,511
(Increase) decrease in accrued interest .....		51	51	(31)
Capital expenditures on properties .....		(1,568)	(1,568)	(2,460)
Proceeds from the sale of properties .....		753	753	877
Other .....		1,365	1,365	1,038
<b>Net Cash Provided by (Used for) Investing Activities .....</b>	<b>\$ 27,977</b>	<b>\$ 4,197</b>	<b>\$ 32,174</b>	<b>\$ (3,176)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents .....</b>	<b>\$ 30,146</b>	<b>\$ 553</b>	<b>\$ 30,699</b>	<b>\$ (6,392)</b>
<b>Cash and Cash Equivalents at January 1 .....</b>	<b>20,022</b>	<b>35,000</b>	<b>55,022</b>	<b>61,414</b>
<b>Cash and Cash Equivalents at December 31 .....</b>	<b>\$ 50,168</b>	<b>\$ 35,553</b>	<b>\$ 85,721</b>	<b>\$ 55,022</b>
<b>Cash and Cash Equivalents at December 31 Consist of:</b>				
Unrestricted cash .....	\$ 26,803	\$ 33,744	\$ 60,547	\$ 51,205
Restricted cash .....	23,365	1,809	25,174	3,817
	<b>\$ 50,168</b>	<b>\$ 35,553</b>	<b>\$ 85,721</b>	<b>\$ 55,022</b>

**Non-cash Activities:**

*Enterprise Funds:*

The Port of Milwaukee disposed of \$30 fully depreciated fixed assets during the year.

During the year, water mains and related property, installed by others were deeded to the Water Works in the amount of \$138.

During the year, the city transferred \$179,871,000 (net book value) of infrastructure assets to the Sewer Maintenance Fund.

*Component Units:*

Pabst Theater recorded equipment purchases of \$1,616 paid directly by the City of Milwaukee.

*The notes to the financial statements are an integral part of this statement.*

CITY OF MILWAUKEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying general purpose financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The following is a summary of the significant accounting policies.

**A. Reporting Entity**

The City of Milwaukee (the "City") was incorporated on January 31, 1846, and operates under a Council-Mayor form of government. These financial statements present the City (the primary government) and other organizations, including component units, for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The component units discussed below are legally separate organizations for which the elected officials of the City are accountable. The City is considered financially accountable if it appoints a voting majority of the organization's governing body and is able to impose its will on the organization, or there is a potential for the organization to provide specific financial benefits to or burdens on the City. The City may be financially accountable if an organization is fiscally dependent on the primary government.

**Blended Component Units**

The City does not have any component units that are considered "blended."

**Discretely Presented Component Units**

The component units columns in the general purpose financial statements include the financial data of the City's component units. They are reported in a separate column to emphasize that they are legally separate from the City.

**COMPONENT UNITS ENTERPRISE FUNDS**

*Housing Authority* - This entity is used to account for the Federal and State grants relating primarily to low income housing and rental assistance programs. The entire governing board is appointed by the Mayor of the City. The daily operations of the Housing Authority of the City of Milwaukee (HACM) are managed by City employees.

*Milwaukee Economic Development Corporation* - The Milwaukee Economic Development Corporation (MEDC) is a nonstock, nonprofit organization formed to promote economic development within the City. The principal objective of the Corporation is to benefit the community by fostering increased employment through expansion of business and industry within the metropolitan Milwaukee area. MEDC's primary source of funds is interest on loans originally granted through the City.

*Neighborhood Improvement Development Corporation* - The Neighborhood Improvement Development Corporation (NIDC) is a nonprofit corporation established to promote reinvestment in both housing and commercial structures within the City. NIDC programs encourage private lending institutions and property owners to make improvements to the community's homes and businesses. Corporate officers of NIDC are provided by the City and daily operations are managed by City employees.

*Pabst Theater* - The City established the Pabst Theater as a municipal theater pursuant to Wisconsin Statutes. A separate board (Pabst Theater Board) is responsible for the maintenance, supervision and operation of the theater. The City issued debt to finance building repairs and annually provides significant subsidies to the Pabst Theater.

*Redevelopment Authority* - The Redevelopment Authority of the City of Milwaukee (RACM) is responsible for activities related to the prevention and elimination of blight and slum conditions in the City. The City appoints all members of the Board and approves the budget.

Financial statements of the individual component units can be obtained from their respective administrative offices.

The general purpose financial statements exclude the accounts of the Wisconsin Center District, Milwaukee Public Schools, the Milwaukee Metropolitan Sewerage District, World Festivals Inc. ("Summerfest") and the Employees' Retirement System of the City of Milwaukee, because these entities operate with separate governing boards and do not meet the criteria established by the Governmental Accounting Standards Board (GASB) Statement 14 as component units of the City. The Milwaukee Metropolitan Sewerage District (MMSD) is a special purpose municipal corporation created to provide sewerage treatment services in the Milwaukee metropolitan area. The City is responsible for paying usage charges within its jurisdiction. These amounts, in turn, are billed by the City to its water customers. The City has no equity interest in MMSD. Financial statements for MMSD can be obtained from its administrative office.

**B. Fund Accounting**

The accounts of the City are organized on the basis of funds and account groups. Each fund is a separate fiscal and accounting entity with a self-balancing set of accounts including assets, liabilities, equities, revenues and expenditures or expenses, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions or limitations.

CITY OF MILWAUKEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term obligations. The various funds are grouped in the accompanying financial statements into eight generic fund types and three broad fund categories as follows:

**GOVERNMENTAL FUND TYPES**

**General Fund** - The General Fund is used to account for all financial resources, except those required to be accounted for in another fund.

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

*Grant and Aid Projects* - This Fund is used to account for Federal and State grants whose proceeds are legally restricted to expenditures for specific purposes and which are not accounted for in other special revenue funds.

*Community Development Block Grant* - The Community Development Block Grant Program receives annual grants pursuant to the Federal Housing and Community Development Act of 1974. This fund also includes amounts received under the Section 108 Loan Program. The City's Department of Administration is responsible for the planning, execution and evaluation of the Program.

*Delinquent Tax* - This Fund was established as a reserve against uncollected delinquent property taxes. Fund resources, consisting initially of bond proceeds, are used to purchase delinquent property taxes from the General Fund. Collections on these purchased receivables and related interest thereon are transferred to the General Obligation Debt Service Fund to provide for the related debt service requirements.

**Debt Service Funds** - Debt Service Funds are used to account for the accumulation of resources and the payment of principal and interest on long-term general obligation debt and expenditures incurred in connection with administration of the Public Debt Amortization Fund.

*General Obligation Debt* - Principal and interest on the City's outstanding long-term general obligation debt are paid from this Fund.

*Public Debt Amortization* - The Public Debt Amortization Fund is governed by Section 67.101 of the Wisconsin Statutes for the retirement of the public debt. See Note 5 for further discussion.

**Capital Projects Funds** - Capital Projects Funds are used to account for the financial resources segregated for the acquisition or construction of major capital facilities other than those financed by proprietary funds. Capital Projects Funds are identified as follows:

*Bridges* - To account for the financing, construction and repair of bridges and viaducts.

*Buildings and Grounds* - To account for the financing, construction and repair of buildings and improvements to city-owned land and playgrounds.

*Sewers* - To account for the financing and construction of new and replacement storm, sanitary and combined sewer projects.

*Urban Renewal* - To account for the financing and costs of activities undertaken to prevent and eliminate blight and slum conditions.

*Streets* - To account for the financing and construction of new and replacement streets, alleys and sidewalks; and for the cost of installation of street lights, traffic lights, parking signs and communication equipment.

*Tax Incremental Districts* - To account for the financing and costs of redeveloping blighted areas which are eligible under the Wisconsin Tax Incremental law, Section 66.46 of the Wisconsin Statutes.

*Special Assessments* - To account for the financing and construction of the City's assessable projects. Upon completion, owners of benefited property are assessed for construction costs incurred.

**PROPRIETARY FUND TYPES**

**Enterprise Funds** - Enterprise Funds are used to account for operations that provide services which are financed primarily by user charges, or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management control or other purposes.

*Metropolitan Sewerage District User Charge* - The Metropolitan Sewerage District User Charge Fund is used to account for sewerage treatment charges by the Milwaukee Metropolitan Sewerage District to the City on a "wholesale" user charge basis and the subsequent billing by the City to customers on a "retail" basis. The City adds administrative expense to the District's charges and includes the sewer user charges on the quarterly water bills.

CITY OF MILWAUKEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

*Parking* - The Parking Fund was established to account for revenues derived from parking meters, parking permits, rentals and leasing of parking facilities and other revenues attributable to parking. The revenues are used to defray administrative and operational costs related to parking operations, and to acquire, landscape and construct parking lots and structures.

*Port of Milwaukee* - All activities necessary to operate and maintain the Port of Milwaukee and other related harbor activities are accounted for in this Fund.

*Sewer Maintenance* - The Sewer Maintenance Fund, in accordance with Wisconsin State Statutes Section 66.076, permits municipalities to implement sewer fees to recover the costs of operation, maintenance, repair, and depreciation of sewer collection and transportation facilities. Sewer maintenance costs are recovered through a user fee rather than through the property tax.

*Solid Waste* - The Solid Waste Fund is used to account for the entire Department of Public Works - Sanitation Division. State Statutes, Section 66.076, permits municipalities to implement a special charge for current services which may allocate all or part of the service costs onto the properties served. The City established the fund to recover approximately 25% of solid waste collection costs through a user fee. The remaining costs as well as snow and ice removal will be subsidized through the general fund. The fund was closed effective December 31, 2001.

*Water Works* - All activities necessary to provide water services to residents of the City and outlying areas are accounted for in this Fund. Fund activities include administration, billing and collection, operations, maintenance and financing.

#### FIDUCIARY FUND TYPES

**Trust and Agency Funds** - Trust and Agency Funds are used to account for assets held in trust or as an agent by the City for others. Expendable trust funds are accounted for and reported in essentially the same manner as governmental funds. Agency funds are custodial in nature and are used to account for assets held by the City as an agent for individuals, private organizations, other governmental units and other funds.

#### Expendable Trust Funds

*Property Tax Collection* - This Fund is used to account for advance property tax collections for the subsequent year's budget.

*Deposits and Other Trust Funds* - This Fund is used to account for the receipt and disposition of performance deposits, and for deposits the City holds in the capacity of trustee for various individuals, governmental entities and nonpublic organizations.

*Deferred Compensation* - The City's deferred compensation plan for City employees is accounted for in this fund in accordance with GASB No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.

**Agency Fund** - Monies collected by the City for other governmental entities are reported in the Agency Funds.

#### ACCOUNT GROUPS

**General Fixed Assets Account Group** - General fixed assets of the City, other than those reported in the enterprise fund are reported in this account group.

**General Long-Term Obligations Account Group** - General long-term debt and certain unfunded liabilities of governmental funds are accounted for in the General Long-Term Obligations Account Group.

#### C. Measurement Focus

The measurement focus of all governmental and expendable trust funds is the flow of current financial resources concept. Under this measurement focus, sources and uses of financial resources, including capital outlays, bond proceeds and retirement are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or a reservation of fund equity. Liabilities for claims, judgments, compensated absences and pension contributions, which will not be currently liquidated using expendable available financial resources, are shown in the General Long-Term Obligations Account Group. The related expenditures are recognized when the liabilities are liquidated.

The measurement focus of proprietary funds and component unit enterprise funds is on the determination of net income, financial position and cash flows. Under this measurement focus, revenues and expenses are matched using the accrual basis of accounting. All fixed assets are capitalized at historical cost and depreciated over their useful lives.

CITY OF MILWAUKEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

**D. Basis of Accounting**

All governmental, expendable trust, and assets and liabilities of agency funds utilize the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures and commitments of the current period. Significant revenues susceptible to accrual include most governmental revenues and charges for services. Licenses and permits, fines and forfeits generally are recorded as revenues when received in cash because they are not measurable until actually received. Special assessments are recognized as revenues when they are due.

Under the modified accrual basis of accounting, expenditures are recognized when the related liability is incurred, if measurable, except for interest on general long-term debt and unfunded claims, judgments, compensated absences and pension contributions, which are recorded in the general long-term debt account group and expensed when due.

The proprietary funds and component unit enterprise funds follow the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period they are incurred.

**Cash and cash equivalents**

For purposes of the statements of cash flows, all highly liquid investments (including restricted cash and investments) purchased with a maturity of three months or less are considered to be cash equivalents. The City manages a cash and investment pool to maximize return on funds while providing liquidity to meet day to day obligations. Each fund's equity in the City's investment pool is considered to be a cash equivalent, since the funds can deposit or effectively withdraw cash at anytime without prior notice or penalty. The Housing Authority considers amounts on deposit with fiscal agents to be investments and not cash equivalents due to their restrictive nature.

**Investments**

Investments, primarily consisting of fixed income securities, are reported at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Commercial paper, which is short-term, defined as having an original maturity of one year or less, and highly liquid is carried at amortized cost.

Investment income, including changes in the fair value of investments, is recognized as revenue in the Statements of Revenues, Expenditures, and Changes in Fund Balances and the Statements of Revenues, Expenses, and Changes in Retained Earnings. Realized gains and losses, defined as the difference between the proceeds of the sale and the original cost of the investments sold, are also included in investment income.

Accrued interest on investments is recorded as earned, since it is both measurable and available. Investment transactions are recorded on the trade date.

Wisconsin Statutes permit the City to invest funds not immediately needed in any of the following:

- Time deposits maturing within three years in any credit union, bank, savings bank, trust company or savings and loan association which are authorized to transact business in the State of Wisconsin.
- Bonds or securities issued or guaranteed by the Federal government.
- Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the State of Wisconsin, as well as bonds issued by a local exposition district, a local professional baseball park district, or the University of Wisconsin Hospitals and Clinics Authority.
- Local Government Pooled - Investment Fund of the State of Wisconsin.
- Repurchase agreements with public depositories, if the agreement is secured by federal bonds or securities.
- Any Security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investors Service, Inc. or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.
- Securities of open-end management investment companies or investment trusts (mutual funds) if the portfolio is limited to (a) bonds and securities issued by the federal government or a commission, board or other instrumentality of the federal government, (b) bonds that are guaranteed as to principal and interest by the federal government or a commission, board or other instrumentality of the federal government, and (c) repurchase agreements that are fully collateralized by these bonds or securities.

CITY OF MILWAUKEE  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED DECEMBER 31, 2001

**Property taxes**

Property taxes are recorded as receivables and deferred revenues in a trust fund in the year levied because the taxes are restricted to funding the succeeding year's budget appropriations. Property tax payments received prior to year end are also reflected in a trust fund. Property taxes are recognized in the appropriate governmental funds as revenues in the succeeding year when they are collected and available to finance City services. If not collected at year end, the delinquent property taxes are reflected as receivables and deferred revenues. Delinquent property taxes and related interest are recognized as revenues when collected.

The allowance for uncollectible property taxes is based on an analysis of the delinquent property taxes and, in management's judgment, represents an amount adequate to provide for potential uncollectible taxes. The allowance is increased by provisions charged to revenues and is reduced by taxes receivable written off.

Property taxes receivable purchased from other taxing authorities are presented in the accompanying financial statements net of an allowance for estimated uncollectible amounts.

The City, through its Special Revenue Fund - Delinquent Tax, issues general obligation short-term promissory notes to finance the purchase of the most recent delinquent taxes from its General Fund. Collections on these delinquencies are used for the associated debt service requirements.

**Unbilled services**

Unbilled water and sewer services at year end are recognized as revenues and receivables in the accompanying financial statements.

**Special assessments**

Special assessments consist of capital projects constructed through non-special assessment debt. Special assessments are recorded as receivables and deferred revenues when the related capital outlays are made and are recorded as revenues when due and payable. All special assessments are due when billed and may be paid on an installment basis with interest. Special assessment receivables that become delinquent are added to the general tax roll. The method of enforcing collections is the same as for general city taxes with like force and effect.

**Notes and loan receivables**

The General Fund, the Special Revenue Fund - Community Development Block Grant, and Neighborhood Improvement Development Corporation hold notes and loans receivable from individuals, small businesses and corporations in the Milwaukee area which are secured by primary or secondary security interests in real estate or other assets. The City periodically analyzes the collectibility of the notes and loans that are not insured and provides allowances as considered necessary.

The City creates tax incremental districts (TID) to issue debt to fund redevelopment projects. Pursuant to a cooperation agreement between the City, the Redevelopment Authority of the City of Milwaukee (Authority), and the Milwaukee Economic Development Corporation (Corporation), the City provides the Authority and the Corporation with the funds necessary to carry out the loan to a private developer to finance the redevelopment projects. Loan repayments to the Authority and the Corporation from the private developer, including interest income as well as other project income, are transferred to the City until the City's loan has been repaid or the TID expires. The City reflects these loans as notes receivable and deferred revenue in an amount estimated to be repaid from the Authority and the Corporation.

**Inventories**

Inventories of materials and supplies are stated at moving average cost, based upon perpetual recordkeeping systems and periodic cycle counts of quantities on hand. Inventories are accounted for under the consumption method, whereby inventory acquisitions are recorded in inventory accounts initially and charged as expenditures or expenses when requisitioned for use. Inventories in governmental funds are reserved for in fund balance, because inventories are not expendable available financial resources.

**Prepaid items**

Cash payments benefiting future periods have been recorded as prepaid items. They will be reflected as expenditures or expenses when incurred in the subsequent year. Prepaid items in governmental funds are reserved for in fund balance, because prepaids are not expendable available financial resources.

**Property, plant and equipment**

General fixed assets are recorded as expenditures in the governmental funds when purchased or constructed. Subsequently, the general fixed assets, except for infrastructures, are capitalized in the General Fixed Assets Account Group. Infrastructure assets such as roads, bridges, curbs, gutters, streets, sidewalks and drainage and lighting systems are not recorded in the General Fixed Assets Account Group.

CITY OF MILWAUKEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

Assets are recorded at historical cost or estimated historical cost. Assets received as gifts or donations are recorded at fair market value at time of receipt.

Depreciation is not recorded on general fixed assets.

Fixed assets of the proprietary funds and component units are capitalized at cost when purchased or constructed. When the fixed assets are retired or sold, the related cost and accumulated depreciation are removed from the accounts, and the gain or loss on disposition is generally reflected in operations. Maintenance and repair costs are charged to operations as incurred and renewals and improvements are added to the asset accounts. Interest cost was not capitalized during construction for 2001.

Depreciation is provided over the estimated useful lives using the straight-line method. The estimated depreciation lives in years are as follows:

	Parking	Port of Milwaukee	Water Works	Sewer Maintenance	Component Units
Buildings and improvements .....	20-40	10-50	45-58		7-80
Machinery and equipment .....	10	3-40	6-56	3-7	3-20
Water transmission and distribution systems .....			64-110		

#### Pension contributions

Pension contributions made on behalf of the employees are recorded in all funds as an expenditure when the liability is incurred. The employer's share of the annual contribution is recorded in the proprietary funds as an expense when the liability is incurred and in the governmental funds as an expenditure when the liability is liquidated with expendable available financial resources.

#### Compensated absences

Vacation pay is recorded as a liability in the General Long-Term Obligations Account Group as the benefits accrue to the employees. Accrued vacation pay is recognized as an expenditure when liquidated with expendable available financial resources. At year end, accrued vacation pay that will not be liquidated with expendable available financial resources is reported as a liability in the General Long-Term Obligations Account Group. Vacation benefits are recorded as expenses in the proprietary funds over the periods the benefits accrue to the employees.

City employees accrue sick leave in accordance with labor agreements or Section 350-37 of the Code of Ordinances. Sick leave is recorded as an expenditure or expense when paid. Upon retirement, employees are entitled to payment for a portion of accumulated sick leave as terminal leave. The liability for terminal leave is described in Note 6.

#### Claims and judgments

Claims and judgments are recorded as liabilities when they are both probable and estimable. Claims and judgments that are expected to be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not expected to be liquidated with expendable available financial resources, a liability is recorded in the General Long-Term Obligations Account Group. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the proprietary funds as expenses when the related liabilities are incurred.

The City accrues environmental remediation obligations when related liabilities are probable and reasonably estimable. These accruals generally are recognized no later than completion of a remedial feasibility study and are adjusted as further information develops or circumstances change. Costs of future expenditures for environmental remediation obligations are not discounted to their present value.

#### Encumbrances and carryovers

Encumbrance accounting is employed in the governmental funds. Encumbrances of purchase orders, contracts and other commitments for the expenditure of funds are recorded as reservations of fund balance until expended. Encumbrances are not reflected as expenditures. Expenditures are recorded and encumbrances are liquidated when the services or materials are received. Appropriations not encumbered and not carried over by action of the Common Council lapse at year end. Unencumbered appropriations, authorized for carry-over, are recorded as reservations of fund balance.

CITY OF MILWAUKEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

**Intergovernmental revenues**

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property tax revenue, grants, and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance, which is the year after the taxes are levied. Taxes levied in 2001 that will be collected in 2002 are recorded as receivable and deferred revenue. Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Revenue from grants and other contributions are recognized in the year in which all eligibility requirements have been satisfied and the resources are available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

**Interest on general obligation long-term and special assessment debt**

Interest on general obligation long-term and special assessments debt is recorded as an expenditure when due and payable from the primary government.

**Interfund transactions**

Transactions between funds are categorized as (1) quasi-external, (2) reimbursements, (3) advances or loans and (4) operating and residual equity transfers.

Quasi-external transactions primarily consist of billings for services rendered between departments and payments in lieu of taxes and are accounted for as revenues and expenditures or expenses in the funds involved if they are similar to transactions with third parties. Reimbursements for expenditures made on behalf of another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund. Advances or loans between funds are accounted for as short or long-term interfund receivables and payables.

Transfers to and from funds and component units to finance current operations are accounted for as operating transfers. Operating transfers are additions or deductions to the excess of revenues over expenditures in the governmental funds, and to net income in the proprietary funds. Transfers between the governmental and proprietary funds for the purchase or construction of fixed assets and other long-term capital needs and the return of capital to the governmental funds are accounted for as residual equity transfers. Residual equity transfers are additions or deductions to fund balances in the governmental funds and to either contributed capital or retained earnings, as appropriate, in the proprietary funds.

**Budgets and budgetary accounting**

City departments are required to submit their annual budget requests for the ensuing year to the Mayor by the second Tuesday in May. The Department of Administration, Division of Budget and Management Analysis, acting as staff for the Mayor, reviews the request in detail with the departments during June and July. After all of the requests have been reviewed, the Mayor submits his proposed Executive Budget to the Common Council. The City Charter requires that this be done on or before September 28. The Common Council must complete its review and adopt the budget on or before November 14. Once adopted, Common Council approval is required to amend the total appropriations by a department, the legal level of control for each budget. During the year, various amendments were made to the budget including carryovers of appropriations and encumbrances, and internal transfers.

Annual budgets are legally adopted by the Common Council for some but not all governmental funds. Annual budgets are not adopted for Special Revenue Fund - Delinquent Tax, Debt Service Fund - Public Debt Amortization and Capital Projects Funds. The Debt Service Fund - General Obligation Debt uses a non-appropriated budget. Budgets for Capital Projects Funds are prepared for the project life, rather than for the standard current fiscal year. Therefore, project appropriations for these budgets lapse at the conclusion of the project. All other appropriations lapse at the end of the current fiscal year. Governmental funds for which annual budgets have been adopted are included in the accompanying Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.

As of December 31, 2001, the Debt Service Fund - General Obligation Debt has a fund balance of \$42,137,000 reserved for 2002 debt service.

All adopted budgets for the governmental funds are prepared in accordance with the modified accrual basis of accounting, except for the treatment of the fund balance - reserved for tax stabilization. For budget purposes, the fund balance - reserved for tax stabilization is reflected as other financing sources whereas for accounting purposes, it is reflected as part of fund balance. The difference between the fund balance on a GAAP basis compared to budget basis is \$5,500,000 at January 1, 2001.

For 2001, expenditures did not exceed appropriations in the General Fund.



CITY OF MILWAUKEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

### **GASB Pronouncements**

The Governmental Accounting Standards Board (GASB) Statement No. 20 (Statement) "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting" provides that proprietary funds should apply all GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB's) of the Committee on Accounting Procedure. The City has elected to apply only FASB, APB and ARB materials issued on or before November 30, 1989 to the proprietary funds and component units.

### **Accounting Change**

The City implemented GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, and GASB Statement No. 36, Recipient Reporting for Certain Shared Nonexchange Revenues (an amendment of GASB Statement No. 33). The implementation resulted in a change in presentation of capital contributions on the statements of revenue, expenses and changes in retained earnings. Capital contributions are reflected as part of non-operating revenue as opposed to contributed capital.

### **New Accounting Pronouncements**

GASB recently issued Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis - for State and Local Governments, Statement No. 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, Statement:Omnibus, and Statement No. 38, Certain Financial Statement Note Disclosures. The City will implement GASB 34, 37, and 38 for the year ended December 31, 2002. Management is currently evaluating the impact of these statements on the results of operations and financial condition.

### **Reclassification**

Certain amounts in the prior year have been reclassified to be consistent with the current year presentation.

### **Total columns on the Combined Statements - Overview**

Total columns on the Combined Statements - Overview are captioned Memorandum Only and are presented for analysis purposes only. Data in these columns do not present financial position, results of operations or cash flows in conformity with accounting principals generally accepted in the United States of America. Such data are not comparable to a consolidation because interfund eliminations have not been made in the aggregation of the data.

Comparative memorandum total data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the City's financial position and operation. See note 13 for the impact of restated prior year amounts.

## **2. DEPOSITS AND INVESTMENTS**

The City maintains a cash and investment pool that is available for use by all the funds, except for Debt Service Funds, Water Works Enterprise Fund, and component entities. Under Wisconsin Statutes, one-third of all interest on pooled cash and investments is allocated to the Public Debt Amortization Fund. The remaining two-thirds is credited to the General Fund. Each fund type's portion of pooled cash and investments is included in the cash and cash equivalents line on the Combined Balance Sheet. The Debt Service Funds, Water Works Enterprise Fund, and component units maintain separate cash and investments. In addition, investments are separately held by several other City funds. No violations of legal provisions for deposits and investments were committed during the year.

### **Deposits**

At December 31, 2001, the reported amount of the City's deposits and cash on hand for the primary government was \$60,237,000 and the related bank balance was \$62,305,000. The carrying amounts of the City's deposits and cash on hand for the component units were \$11,041,000, and the related bank balance was \$14,299,000. Bank balances of deposits for accounts maintained by the City Treasurer in the amount of \$1,800,000 are entirely insured and \$3,327,000 are collateralized by securities held in the pledging banks' trust departments in the City's name. The remaining balance of \$57,178,000 is neither insured nor collateralized, nor was this amount significantly exceeded during the year. Of the component units deposits not in the custody of the City Treasurer, \$7,141,000 are entirely insured and \$7,158,000 are uninsured and uncollateralized at the end of the year.

### **Cash equivalents and investments**

The City's primary government and component units cash equivalents and investments are categorized as either (1) insured or registered or securities held by the City or its agent in the City's name, (2) uninsured and unregistered with securities held by the counterparty's trust

CITY OF MILWAUKEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

department or agent in the City's name or (3) uninsured or unregistered with securities held by the counterparty, or by its trust department or agent but not in the City's name.

Cash and investments with fiscal agents include \$7,122,000 placed in trust for Housing Authority debt retirement, \$7,677,000 for Redevelopment Authority debt retirement and \$1,086,000 for Milwaukee Economic Development Corporation.

Primary Government:	Category (1)	Category (2)	Category (3)	Reported Amount	Fair Value
<i>(Thousands of Dollars)</i>					
U.S. Treasury Obligations .....	\$	\$ 63,352	\$	\$ 63,352	\$ 63,352
U.S. Agency Securities .....		1,011		1,011	1,011
Municipal Bonds and Notes .....		7,377		7,377	7,377
	<u>\$ -</u>	<u>\$ 71,740</u>	<u>\$ -</u>	<u>\$ 71,740</u>	<u>\$ 71,740</u>
Cash and Investments with Fiscal Agents .....				29,342	29,342
Local Government Pooled - Investment Fund .....				382,071	382,071
Institutional Money Market Fund .....				24,000	24,000
Deferred Compensation Investments .....				374,371	374,371
Total Cash Equivalents and Investments .....				<u>\$ 881,524</u>	<u>\$ 881,524</u>
Component Units:	Category (1)	Category (2)	Category (3)	Reported Amount	Fair Value
<i>(Thousands of Dollars)</i>					
U. S. Treasury Obligations .....	\$ 441	\$	\$ 6,008	\$ 6,449	\$ 6,449
Cash and Investments with Fiscal Agents .....				15,985	15,985
Local Government Pooled - Investment Fund .....				34,851	34,851
Total Cash Equivalents and Investments .....	<u>\$ 441</u>	<u>\$ -</u>	<u>\$ 6,008</u>	<u>\$ 57,285</u>	<u>\$ 57,285</u>

The pooled investments have not been categorized based on custodial risk because they are not securities. The relationship between the City and the investment agent is a direct contractual relationship, and the investments are not supported by a transferable instrument that evidences ownership or creditorship. The Local Government Pooled – Investment Fund is an external investment pool administered by the State of Wisconsin. The fair value of the City's investment in the fund is the same as the value of the pooled shares. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provisions of Section 25.50 of the Wisconsin Statutes.

### 3. PROPERTY TAXES

The City's property taxes are levied on or before December 31, on the assessed (taxable) value as of the prior January 1, for all general property located in the City. Taxes become a lien against the property upon filing the roll in the Office of the City Clerk. This generally takes place in December. The taxes are due January 31, but may be paid in ten monthly installments without interest from January through October. Foreclosure can be commenced after one year from date of delinquency.

The City purchases property taxes receivable from other taxing authorities at the unpaid amounts to facilitate the collection of the taxes. The purchases are a financing arrangement and are not included in property tax revenues. Also, delinquent water and sewer charges and special assessment receivables are transferred to the General Fund at the unpaid amounts.

At December 31, 2001, delinquent property taxes include delinquent sewer and water charges and special assessments by year levied, tax deeded property, and allowance for uncollectible taxes. These delinquent property taxes are reported as part of taxes receivable in the General Fund and Special Revenue Fund - Delinquent Tax and consist of the following:

CITY OF MILWAUKEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

	City Levy	Purchased Taxes Receivable	Total
	<i>(Thousands of Dollars)</i>		
1996 and prior .....	\$ 1,483	\$ 2,516	\$ 3,999
1997 .....	334	557	891
1998 .....	488	820	1,308
1999 .....	987	1,728	2,715
2000 .....	<u>4,483</u>	<u>8,283</u>	<u>12,766</u>
Total delinquent property taxes receivable .....	<u>\$ 7,775</u>	<u>\$ 13,904</u>	\$ 21,679
Property taxes receivable on foreclosed property .....			15,849
Less: Allowance for uncollectible taxes .....			<u>(12,076)</u>
Net delinquent property taxes receivable, including tax deeded property			<u>\$ 25,452</u>

**4. DEFERRED REVENUE**

Deferred revenue is recorded in the governmental funds for amounts not yet available and for resources received prior to being earned by the City. Related revenue is recognized when these amounts become available or when earned. The composition of the deferred revenue balances in the governmental funds is as follows:

	General	Special Revenue	Debt Service	Capital Projects	Total
	<i>(Thousands of Dollars)</i>				
Delinquent property taxes .....	\$ 9	\$	\$	\$	\$ 9
Unearned revenue .....	1,823	6,426			8,249
Long-term receivables .....		6,307	36,636	6,032	48,975
Unbilled special assessments .....				8,978	8,978
	<u>\$ 1,832</u>	<u>\$ 12,733</u>	<u>\$ 36,636</u>	<u>\$ 15,010</u>	<u>\$ 66,211</u>

**5. DEBT**

General obligation long-term debt, which includes \$23,882,000 designated for local improvement projects and special assessment use, consisted of 54 separate issues from 1990 through 2001 with applicable interest rates ranging between 3.40% to 10.00% as of December 31, 2001. Trust and Agency Fund bonds and notes payable consists of revenue anticipation notes maturing in 2002 with split interest rates of 2.7-3.5%. Changes in debt for 2001 were as follows:

CITY OF MILWAUKEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

	Balance 01-01-01	New Issues	Repayments	Balance 12-31-01
	<i>(Thousands of Dollars)</i>			
<b>General Obligation Bonds and Notes:</b>				
City .....	\$ 430,689	\$ 114,349	\$ 78,201	\$ 466,837
Milwaukee Public Schools .....	91,814	23,590	15,812	99,592
Enterprise - City (including current maturities) .....	<u>82,737</u>	<u>10,441</u>	<u>16,224</u>	<u>76,954</u>
 Total .....	 \$ 605,240	 \$ 148,380	 \$ 110,237	 \$ 643,383
Deferred gain /(loss) .....	<u>85</u>	<u>(228)</u>	<u>10</u>	<u>(153)</u>
 Total General Obligation Debt .....	 <u>\$ 605,325</u>	 <u>\$ 148,152</u>	 <u>\$ 110,247</u>	 <u>\$ 643,230</u>
 <b>Sewer Maintenance</b>				
Bond anticipation note .....	\$ 6,258	\$ -	\$ 6,258	\$ -
Revenue bonds .....	<u>-</u>	<u>29,095</u>	<u>-</u>	<u>29,095</u>
 Total Sewer Maintenance	 <u>\$ 6,258</u>	 <u>\$ 29,095</u>	 <u>\$ 6,258</u>	 <u>\$ 29,095</u>
 <b>Water Works</b>				
Revenue Bonds .....	\$ 16,773	\$ -	\$ 744	\$ 16,029
 <b>Trust and Agency Funds:</b>				
Bonds and notes payable .....	<u>\$ 110,000</u>	<u>\$ 112,000</u>	<u>\$ 110,000</u>	<u>\$ 112,000</u>
 <b>Component Units Long-Term Debt (including current maturities):</b>				
Bonds and notes - other .....	\$ 2,236	\$ 9,272	\$ 1,316	\$ 10,192
Revenue bonds - HACM .....	8,983		2,389	6,594
Revenue bonds - RACM .....	<u>4,299</u>	<u>1,468</u>	<u>-</u>	<u>5,767</u>
 Total Component Units Long-Term Debt (including current maturities) .....	 <u>\$ 15,518</u>	 <u>\$ 10,740</u>	 <u>\$ 3,705</u>	 <u>\$ 22,553</u>
 Total Debt .....	 <u>\$ 753,874</u>	 <u>\$ 299,987</u>	 <u>\$ 230,954</u>	 <u>\$ 822,907</u>

Certain prior year balances for the component units have been adjusted to correspond with the proper classification reflected in the Combined Balance Sheet.

**Primary Government Long-Term Debt**

General Obligation Bonds and Notes are secured by the full faith and unlimited taxing power of the City. The bonds and notes in the General Long-Term Obligations Account Group will be retired by future property tax levies and other resources accumulated in the Debt Service Funds. The bonds and notes in the Parking, Water Works, and Port of Milwaukee Enterprise Funds will be retired by revenues from these operations or, if the revenues are not sufficient, by future tax levies.

General long-term obligations do not include \$83,066,356 of City of Milwaukee Industrial Development Revenue Bonds issued in accordance with the Wisconsin Statutes. These obligations are primarily secured by revenue agreements on the associated projects and, together with the interest obligation, are payable solely by the developers, and do not constitute indebtedness of the City.

CITY OF MILWAUKEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

Use of Public Debt Amortization Fund for retirement of the public debt is governed by the Wisconsin Statutes. The Statutes provide that when total principal and accrued interest in the Public Debt Amortization Fund is substantially equal to the outstanding general obligation bonds and notes, the resources in the fund shall be applied to make annual interest and principal payments on that debt to maturity. The Statutes provide, in part, that "The Public Debt Commission may, however, at any time, apply the fund, not to exceed in any one year 40 percent of the balance in said fund on the preceding December 31, to acquire for cancellation general obligation bonds or notes prior to their maturity dates at prices not to exceed principal plus accrued interest to date of maturity, but the fund shall not be decreased below \$2,000,000 as a result of such purchases and cancellations." Principal sources of revenue are one-third of all interest on general City investments and interest on Fund investments. As authorized by the Statutes, the Public Debt Amortization Fund may purchase for investment or for cancellation, notes issued by the General Fund to fund operations.

Through 2001, \$201,138,120 has been borrowed for thirty-eight tax incremental districts (TID). Total debt service requirements associated with this debt issues amount to \$316,922,539. Tax increments received through 2001 total \$201,515,073. In any year in which TID debt service requirements for the ensuing year are greater than total tax increments received, the shortfall is funded by the property tax levy.

Under the Wisconsin Statutes, the City is required, if requested by the Board of Milwaukee Public Schools, and if approved by referendum, to issue general obligation bonds to finance purchases of school sites and to construct or remodel school buildings. No such bonds are currently outstanding. The \$99,591,254 of Milwaukee Public School long-term debt outstanding at December 31, 2001 consists of a portion of the City's general obligation bonds and notes, which has been designated for school purposes. Under the Wisconsin Statutes, the City has title to the land and buildings of the Milwaukee Public Schools. However, the City does not control the use of the assets or receive the proceeds upon disposition of the assets. At June 30, 2001, the historical costs of the land and buildings as reported by Milwaukee Public Schools was approximately \$626,500,000. These assets are excluded from the financial statements of the City.

During 2001, the City issued \$112,000,000 in short-term revenue anticipation notes on behalf of the Milwaukee Public Schools. These notes bear interest at the rates of 2.7%, 3.25% and 3.5% and will mature on August 29, 2002. The liability and related cash to repay the revenue anticipation notes are recorded in the Board of School Directors (agency) fund.

The Sewer Maintenance Fund Bond Anticipation Note was issued for the purpose of financing the cost of improvements to the City's sewerage system pending the issuance of sewerage system revenue bonds. Interest payments are based on the State of Wisconsin Local Government Investment Pool rate and are payable semiannually. The debt was paid upon maturity on December 15, 2001.

The Water Works Revenue Bonds were issued for the purpose of providing for the payment of the cost of constructing improvements to the Water System of the Municipality, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.066 Wisconsin Statutes, and is payable only from the income and revenues derived from the operation of the Water System of the Municipality. This Bond issuance does not constitute an indebtedness of the City of Milwaukee within the meaning of any constitutional or statutory debt limitation or provision.

Wisconsin Statutes limit direct general obligation borrowing in the amount equivalent to 7% of the equalized valuation of taxable property. The Statutes further provide that within the 7% limitation, borrowing for school construction purposes may not exceed 2% of the equalized valuation and borrowing for general city purposes may not exceed 5% of the equalized valuation. At December 31, 2001, the City's legal debt margin was \$760,522,000. Of this amount, \$389,077,000 was for school purposes and \$372,659,000 was for City purposes. The ratio of aggregate indebtedness of all taxing authorities located within the City's boundaries to the equalized value of the taxable property was approximately 5.7%, including 3.9% related to direct City indebtedness at December 31, 2001.

The maturities of the outstanding principal and related interest requirements are as follows:

Year	General Obligation Debt		Revenue Bonds Payable		Total Debt Service
	Principal	Interest	Principal	Interest	
(Thousands of Dollars)					
2002 .....	\$ 78,509	\$ 31,640	\$ 763	\$ 1,770	\$ 112,682
2003 .....	69,600	28,365	1,785	1,733	101,483
2004 .....	62,517	25,071	1,840	1,676	91,104
2005 .....	59,887	21,906	1,906	1,609	85,308
2006 .....	52,630	18,788	1,983	1,532	74,933
Thereafter .....	<u>320,240</u>	<u>73,524</u>	<u>36,847</u>	<u>12,259</u>	<u>442,870</u>
Totals .....	\$ 643,383	\$ 199,294	\$ 45,124	\$ 20,579	\$ 908,380

CITY OF MILWAUKEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

During 2001, the City defeased \$102,000,000 of Revenue Anticipation Notes which come due in the first half of 2002 by placing funds in an irrevocable trust with a financial institution. Accordingly, these obligations have been removed as liabilities of the General Fund.

In June 2001, the City issued two series of general obligation refunding bonds. The first, Series of 2001-A (tax-exempt) was in the par amount of \$26,035,000 and carried interest rates between 4 and 5% to advance refund \$24,980,000 of existing debt. The second issue, Series of 2001-B (taxable) was in the par amount of \$4,690,000 and carried interest rates between 4 and 5.625% to advance refund \$4,570,000 of existing taxable debt. Together, the net proceeds of these two issues (including original issuance premium, but exclusive of accrued interest, underwriter's discount and issuance expenses) totaled \$30,931,000. The net proceeds were utilized to purchase United States Government securities that were irrevocably placed in trust with an escrow agent for the purpose of paying all future debt service on the refunded City bonds. As a result, the refunded City bonds are considered to be defeased and the liability for those bonds has been removed from the General Long-Term Account Group. The City executed the two refundings solely for the purpose of reducing its total debt service payment over the remaining life of the refunded bonds. The present value savings of the two refunding issues totaled \$603,000 or 2.04% of the refunded bonds.

At December 31, 2001, a total of \$53,120,000 in outstanding general obligation bonds is considered defeased.

#### Component Units Long-Term Debt

The Housing Authority Bonds and Notes are secured by a lien on all revenues of the Housing Authority Low Income Housing Program. The Housing Authority Bonds and Notes are not a general obligation of the City, nor are they guaranteed by the City. As such, they are not backed by the general credit or taxing powers of the City.

Approximately \$3,845,000 of Redevelopment Authority bonds are payable from net revenues earned from certain veterans housing projects administered by the Housing Authority. Such revenues are pledged by the Housing Authority pursuant to a cooperation agreement entered into by the Redevelopment Authority and the Housing Authority. Under the terms of the agreement, only those revenues earned by the specified projects are pledged to repay the debt. The Redevelopment Authority bonds are not general obligations of the City, nor are they guaranteed by the City. As such, they are not backed by the general credit or taxing powers of the City.

The maturities of the outstanding principal and related interest requirements for the component units are as follows:

Year	Bonds and Notes Payable		Revenue Bonds Payable		Total Debt Service
	Principal	Interest	Principal	Interest	
(Thousands of Dollars)					
2002 .....	\$ 1,772	\$ 28	\$ 900	\$ 274	\$ 2,974
2003 .....	20	28	940	222	1,210
2004 .....	22	28	1,510	179	1,739
2005 .....	23	28	1,575	115	1,741
2006 .....	25	27	570	45	667
Thereafter .....	8,330	884	6,866	24	16,104
Totals .....	\$ 10,192	\$ 1,023	\$ 12,361	\$ 859	\$ 24,435

## 6. RETIREMENT PLANS

### Pension Benefits

**Plan Description** - The City makes contributions to the Employees' Retirement System of the City of Milwaukee (the "System"), a cost-sharing multiple-employer defined benefit pension plan, on behalf of all eligible City employees. The System provides retirement, disability, and death benefits to plan members and beneficiaries. The City Charter assigns the authority to establish and amend benefit provisions. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Employees' Retirement System of the City of Milwaukee, 200 East Wells Street, Room 610, Milwaukee, WI 53202.

**Funding Policy** - Plan members are required to contribute, or have contributed on their behalf, a percentage of their annual earnable compensation equal to 5.5%, 6%, 7%, and 7% for general City employees, police officers, firefighters, and elected officials, respectively. The City is required to contribute the actuarially determined amount. The City Charter assigns the authority to establish and amend contribution requirements. The City's contributions to the System for the years ending December 31, 2001, 2000, 1999, and 1998 were \$20,288,000,

CITY OF MILWAUKEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

\$20,693,000, \$19,261,000, \$19,265,000, respectively, equal to the required contributions on behalf of the plan members for each year. (See Note 11)

**Other Postemployment Benefits**

The City provides medical insurance benefits for substantially all retirees in accordance with terms set forth in labor contracts or by Common Council resolution. Retirees are eligible to enroll in any of the group plans offered by the City. Aside from the Basic Plan, this includes any of the Health Maintenance Organizations (HMO) plans currently offered to active employees.

The City provides full health insurance coverage to general City employees who retire at age 55, but less than age 65, with 30 years of creditable service or age 60, but less than age 65, with 15 years of creditable service until the age of 65. In accordance with a "percentage formula" as provided in labor agreements, the City provides between 65% and 100% of the cost of the Basic Plan coverage for firefighters and police officers who retire with 25 years of creditable service and having attained at least the age of 52 but less than 60. Upon reaching the age of 60 but prior to the age of 65, the City provides full health insurance coverage for firefighters with single enrollment status and police officers with single enrollment status. The City contribution for firefighters between the ages of 60 and 65 with family enrollment status is the greater of 100% of the cost of single enrollment in the Basic Plan or an amount determined using the "percentage formula." The "percentage formula" used to determine the City contribution in the labor agreements is based on the amount of unused sick leave at retirement.

After attaining the age of 65 and having completed a minimum of 15 years of creditable service, all retirees are eligible to enroll in a "subsidized plan" for medical insurance. Under this plan, the City contributes 25% of the base rate toward retirees enrolled in the Basic Plan, while the retiree pays 75% of the base rate and 100% of the major medical rate. For those retirees enrolled in an HMO, the City contributes a 25% subsidy of the applicable HMO premium.

Medical insurance for retirees is financed on a pay-as-you-go basis. Approximately 5,094 employees are eligible to receive these benefits. For 2001, the City paid approximately \$17,127,000 toward medical insurance for its retirees.

In addition to medical insurance, the City allows its employees to continue life insurance coverage under the Group Life Insurance Plan offered to active employees in accordance with Section 350-25 of the Code of Ordinances. The base amount of coverage for general City employees is equal to the employee's annual basic salary to the next higher thousand dollars. The base amount of coverage for firefighters and police officers is equal to one and one-half the employee's annual basic salary to the next higher thousand dollars.

General City employees retiring at age 55 or older with 20 years of service or at age 60 regardless of years of service and covered under the group life insurance plan at retirement are eligible to continue coverage at the level on the date prior to their date of retirement. Firefighters and police officers retiring at age 52 or older with 20 years of service or at age 57 regardless of years of service and covered under the group life insurance plan at retirement are eligible to continue coverage up to their base amount of coverage on the date prior to their date of retirement. Prior to age 65, all retirees are required to pay the full premium rates as established by the insurance carrier, less an adjustment for estimated dividends. The rates established are group rates applied consistently to all employees, without regard to age or health. Upon reaching the age of 65, those retirees still part of the group life plan have their coverage reduced in accordance with the reduction schedule in effect on their last day physically at work, with the City assuming all future premiums.

For 2001, the groups rate for life insurance for the City population as a whole was approximately fifty cents per month per \$1,000 of coverage after estimated dividends. The effect on this rate as a result of including retirees in the pool is not determinable. Group life insurance for retirees age 65 or older are financed on a pay-as-you-go basis and cannot be readily separated from amounts paid on behalf of active employees. The City estimates \$925,000 out of a total \$3,398,000 for group life insurance for 2001 is attributable to approximately 5,014 retirees on the basis of the common group life rate.

**Terminal Leave Payments**

Upon retirement, employees receive a portion of their unused sick leave as terminal leave, in accordance with labor contracts and Section 350-38 of the Code of Ordinances. Firefighters whose normal hours of work exceed 40 hours per week receive between \$45 and \$65 for each work shift equivalent of unused sick leave. Firefighters whose normal hours of work average 40 hours per week receive between \$21 and \$30 for each work shift equivalent of unused sick leave. Police officers receive payment for up to 55 days of unused sick leave at base pay. Management pay plan employees are entitled to payment of 30% of unused sick leave (maximum 960 hours) plus one-half of the sick leave days accumulated during the last twelve months of service for up to six additional days for a total maximum of 42 days at the rate of pay at retirement. Substantially all remaining City employees receive up to 30 days for unused sick leave as terminal leave, although some bargaining units receive slightly different benefits in accordance with related labor agreements. In 2001, approximately \$8,573,000 was paid for sick leave from all funds. At December 31, 2001, accumulated sick leave earned but not taken totaled approximately \$106,481,000 determined on the basis of current salary rates.

Terminal leave pay is funded on a pay-as-you-go basis and provided for in the salary budgets of the respective departments annually. In 2001 terminal leave payments totaled \$2,102,000 to employees retiring during the year. As of December 31, 2001, the City has accrued

CITY OF MILWAUKEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

approximately \$19,230,000 in the General Long-Term Obligations Account Group for future terminal leave payments. This amount is included under the unfunded compensated absences of \$33,360,000, with the remainder accrued vacation leave of \$14,130,000.

**7. SEGMENT INFORMATION FOR ENTERPRISE FUNDS AND COMPONENT UNITS**

The City maintains six enterprise funds within its primary government as follows:

Metropolitan Sewerage District User Charge Fund (MSDUC)  
Parking Fund  
Port of Milwaukee (Port)  
Sewer Maintenance  
Solid Waste  
Water Works Fund (Water)

Selected information for 2001 with respect to these enterprises was as follows:

	MSDUC	Parking	Port	Sewer Maintenance	Solid Waste	Water	Total
<i>(Thousands of Dollars)</i>							
Operating revenues .....	\$ 30,098	\$ 35,739	\$ 3,985	\$ 18,899	\$ 36,584	\$ 61,711	\$ 187,016
Depreciation .....		2,137	714	3,119		8,917	14,887
Other operating expense .....	29,822	18,240	2,147	14,093	34,662	41,824	140,788
Operating income (loss) .....	276	15,362	1,124	1,687	1,922	10,970	31,341
Other nonoperating revenues (expenses) .....		(1,391)	(1,118)	(100)		(1,829)	(4,438)
Operating transfers in .....		1,381	158			7,479	9,018
Operating transfers out .....		(20,422)	(1,657)		(57)	(7,377)	(29,513)
Capital contributions .....		3,593					3,593
Net income (loss) .....	276	(1,477)	(1,493)	1,587	1,865	9,243	10,001
Property, Plant and Equipment:							
Additions .....		2,592		190,255		8,217	201,064
Disposals .....			30				30
Total assets .....	9,314	54,793	20,509	229,542		387,198	701,356
Working capital .....	1,408	2,652	15	(3,436)		23,480	24,119
General long-term debt:							
General obligation .....		25,473	3,543			48,548	77,564
Revenue bonds .....				29,095		15,266	44,361
Fund equity .....	1,408	27,943	16,440	185,662		316,772	548,225

The discretely presented component units include five enterprise funds as follows:

Pabst Theater (Pabst)  
Milwaukee Economic Development Corporation (MEDC)  
Housing Authority (HACM)  
Redevelopment Authority (RACM)  
Neighborhood Improvement Development Corporation (NIDC)

Component unit disclosures for the 2001 Balance Sheets are as follows:



CITY OF MILWAUKEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

	Pabst	MEDC	HACM	RACM	NIDC	Total
	<i>(Thousands of Dollars)</i>					
<b>Assets:</b>						
Due from primary government .....	\$	\$	\$	\$	\$ 973	\$ 973
Other current assets .....	174	50,389	38,373	49,516	16,052	154,504
Property, plant and equipment (net) .....	9,834	24	220,718	6,757	54	237,387
Other long-term assets .....	388	117	8,165	7,421	261	16,352
<b>Total assets .....</b>	<b>\$ 10,396</b>	<b>\$ 50,530</b>	<b>\$ 267,256</b>	<b>\$ 63,694</b>	<b>\$ 17,340</b>	<b>\$ 409,216</b>
<b>Liabilities:</b>						
Current liabilities .....	\$ 889	\$ 118	\$ 14,422	\$ 16,587	\$ 4,000	\$ 36,016
Bonds and notes payable - long term .....			15,014	4,867		19,881
Due to the primary government .....		1,416	1,005	17,611	2,362	22,394
Other long-term liabilities .....	93	523	13,414	2,390	380	16,800
<b>Total liabilities .....</b>	<b>\$ 982</b>	<b>\$ 2,057</b>	<b>\$ 43,855</b>	<b>\$ 41,455</b>	<b>\$ 6,742</b>	<b>\$ 95,091</b>
<b>Equity:</b>						
Contributed capital .....	\$ 9,946	\$ 5,453	\$ 248,398	\$ 12,304	\$ 13,415	\$ 289,516
Retained earnings (deficit) .....	(532)	43,020	(24,997)	9,935	(2,817)	24,609
<b>Total equity .....</b>	<b>\$ 9,414</b>	<b>\$ 48,473</b>	<b>\$ 223,401</b>	<b>\$ 22,239</b>	<b>\$ 10,598</b>	<b>\$ 314,125</b>
<b>Total liabilities and equity .....</b>	<b>\$ 10,396</b>	<b>\$ 50,530</b>	<b>\$ 267,256</b>	<b>\$ 63,694</b>	<b>\$ 17,340</b>	<b>\$ 409,216</b>

Component unit disclosures for the 2001 Statement of Revenues, Expenses, and Changes in Equity are as follows:

	Pabst	MEDC	HACM	RACM	NIDC	Total
	<i>(Thousands of Dollars)</i>					
Operating revenues .....	\$ 499	\$ 2,291	\$ 16,582	\$ 3,196	\$ (411)	\$ 22,157
Operating expenses:						
Depreciation .....	202	11	15,240	88	14	15,555
Other .....	754	640	49,380	3,042	7,159	60,975
Operating income (loss) .....	(457)	1,640	(48,038)	66	(7,584)	(54,373)
Other nonoperating revenue (expense) .....	88	(97)	51,781	6,343	6,030	64,145
Operating transfers .....	150					150
Capital contributions .....	2,641		400			3,041
Net income (loss) for the year .....	2,422	1,543	4,143	6,409	(1,554)	12,963
Retained earnings (deficit) - beginning (restated) .....	(2,954)	41,477	(29,140)	3,526	(1,263)	11,646
Retained earnings (deficit) - ending .....	\$ (532)	\$ 43,020	\$ (24,997)	\$ 9,935	\$ (2,817)	\$ 24,609

The retained earnings balance for the Neighborhood Improvement Development Corporation of the City of Milwaukee has been adjusted as of January 1, 2001 to reflect an increase of \$86,000 due to miscellaneous adjustments recorded to the 2000 component unit financial statements subsequent to the issuance of the City's December 31, 2000 Comprehensive Annual Financial Report.

## 8. FUND EQUITY

### Reserved for tax stabilization

The Reserved for Tax Stabilization, \$40,122,000 at December 31, 2001, is governed by the City's Code of Ordinances. All General Fund appropriation balances not encumbered or carried over are reserved for tax stabilization in subsequent years. The total amount that can be withdrawn from the Reserved for Tax Stabilization in any one year is an amount that prevents an increase of more than three percent in the

CITY OF MILWAUKEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

City's property tax rate, as defined, and is anticipated to be available as of April 15 of the year covered by the budget. Such amount must be included in the adopted budget, which requires a majority affirmative vote of the Common Council. Fund withdrawals not needed to stabilize the tax rate can be made for up to 50% of the available balance, but require a three-fourths affirmative vote of the Common Council.

**Fund deficit**

The Capital Projects Fund - Special Assessments fund deficit of \$12,385,000 is the result of expending funds for construction in advance of collecting assessments from the property owners. Upon project completion, the properties are assessed, thus reducing this deficit.

**Retained deficit**

Current and prior years' losses in the following proprietary funds have resulted in cumulative retained deficits with a fund equity (deficit), net of retained deficits, as indicated below. The City provides needed capital to the Enterprise Fund - Port of Milwaukee and Pabst Theater component unit.

	Net Income (Loss)	Retained Deficit	Fund Equity
<i>(Thousands of Dollars)</i>			
Enterprise Fund - Port of Milwaukee .....	\$ (1,493)	\$ (12,703)	\$ 16,440
Pabst Theater Component Unit .....	2,422	(532)	9,414
Housing Authority of the City of Milwaukee Component Unit .....	4,143	(24,997)	223,401
Neighborhood Improvement Development Corporation Component Unit .....	(1,554)	(2,817)	10,598

**Contributed capital**

The changes in the City's contributed capital accounts for its proprietary funds and component units were as follows:

	Enterprise Funds	Component Units	Total
<i>(Thousands of Dollars)</i>			
Beginning balance .....	\$ 123,743	\$ 289,516	\$ 413,259
Additions .....	<u>179,871</u>	<u>-</u>	<u>179,871</u>
Ending balance .....	<u>\$ 303,614</u>	<u>\$ 289,516</u>	<u>\$ 593,130</u>

During 2001, the City contributed \$179,871,000 (net book value) of infrastructure assets to the Sewer Maintenance Fund. The above was determined through an independent third party study.

**9. INTERFUND RECEIVABLE AND PAYABLE BALANCES AND NET TRANSFERS**

The individual interfund receivable and payable balances at December 31, 2001, and the net contributions, residual and operating transfers for 2001 were as follows:

CITY OF MILWAUKEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

Fund	Interfund Receivables	Interfund Payables	Net Contributions	Net Residual Transfers	Net Operating Transfers
<i>(Thousands of Dollars)</i>					
General Fund .....	\$ 23,988	\$	\$	\$ 1,908	\$ 24,111
Special Revenue Funds:					
Grant and Aid Projects .....		(7,570)		(56)	
Community Development Block Grant .....		(973)			
Delinquent Tax .....					(13,045)
Debt Service:					
General Obligation Debt .....		(1,194)		(419)	12,058
Capital Projects Funds .....		(617)		(3,484)	(2,883)
Enterprise Funds:					
Metropolitan Sewerage District User Charge ...	355				
Parking .....			3,594		(19,041)
Port of Milwaukee .....		(264)	309		(1,499)
Sewer Maintenance .....	209	(12,051)			
Solid Waste .....				(1,865)	(57)
Water Works .....		(1,883)			102
Trust and Agency Funds .....				13	104
Component Units:					
Pabst Theater .....					150
Totals .....	<u>\$ 24,552</u>	<u>\$ (24,552)</u>	<u>\$ 3,903</u>	<u>\$ (3,903)</u>	<u>\$ -</u>

**10. GENERAL FIXED ASSETS**

Changes in General Fixed Assets for the year ended December 31, 2001, were as follows:

	Balance 01-01-01	Additions	Deletions	Balance 12-31-01
<i>(Thousands of Dollars)</i>				
Land .....	\$ 39,694	\$	\$	\$ 39,694
Buildings .....	132,870			132,870
Machinery and equipment .....	93,534	5,212	1,393	97,353
Construction work in progress .....	63,088	21,306	1,455	82,939
Totals .....	<u>\$ 329,186</u>	<u>\$ 26,518</u>	<u>\$ 2,848</u>	<u>\$ 352,856</u>

**11. COMMITMENTS AND CONTINGENCIES**

**Claims and other legal proceedings**

The City is involved in numerous lawsuits arising in the normal course of business, including claims for property damage, personal injury and personnel practices, disputes over contract awards and property condemnation proceedings, and suits contesting the legality of certain taxes. Under the Wisconsin Statutes, the amount recoverable by any person for any damages, injuries or death in any action founded on fact against the City, agencies, officials, officers or employees cannot exceed \$50,000, with certain exceptions. In addition, the City is subject to environmental remediation liabilities. The amount of such liabilities is not known. In the opinion of management, any additional lawsuits not provided for in the General Long-Term Obligations Account Group and environmental remediation liabilities will not have a material adverse effect on the City's financial position as of December 31, 2001.

CITY OF MILWAUKEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

The City is self-insured for workers' compensation, employee Basic Plan health and dental insurance, uninsured motorist motor vehicle coverage for City employees, and general liability claims. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Liabilities are based on the estimated ultimate cost of settling the claims, including the effects of inflation and other economic and social factors. Claims are paid in the General Fund and are recorded as expenditures when paid. Expenditures recorded in the General Fund in 2001 were \$72,845,000 (\$57,906,000 of incurred claims less \$14,939,000 recorded as long-term obligations).

At December 31, 2001, the amount of unfunded claims and judgment liabilities is \$36,945,000 and is included in unfunded claims and judgments in the General Long-Term Obligations Account Group and consists of: legal \$23,025,000, environmental \$2,730,000, unemployment \$804,000, workers' compensation \$3,851,000 and health insurance \$6,535,000. Changes in the balance of claims liabilities during 2001 consist of a reduction in legal reserves due to the Global Pension Settlement and a change in estimation of the City's reserve for health insurance. These changes are detailed as follows:

(Thousands of Dollars)

Balance December 31, 1998 .....	\$ 58,661
Claims and changes in estimates .....	31,825
Claim payments .....	<u>(46,966)</u>
Balance December 31, 1999 .....	\$ 43,520
Claims and changes in estimates .....	14,939
Claim payments .....	<u>(21,514)</u>
Balance December 31, 2000 .....	<u>\$ 36,945</u>

The Milwaukee Police Association filed suit against the City and the Milwaukee Employees' Retirement System as a result of a City Ordinance passed in 1995 that merged the Retirement Fund with the Duty Disability Fund. Actuarial reports indicated that if the separate funds were merged, there were sufficient assets within the Employees' Retirement System to fund all retirement and disability liabilities without currently requiring additional contributions. In 1996, the Circuit Court granted summary judgment to the plaintiff declaring the merger to be unconstitutional. The court stayed enforcement of its order, insofar as any additional contribution of the City was concerned, to give the City the opportunity to appeal. In 1998, the Court of Appeals modified the Circuit Court's judgment; and the City's petition to the Wisconsin Supreme Court to accept a discretionary appeal of the Court of Appeals' decision was denied. As a result, the City was required to make contributions to fund an unfunded liability in the Duty Disability Fund.

The City has been notified of an Equal Employment Opportunity Commission (EEOC) investigation conducted of the Fire and Police Commission and the Milwaukee Police Department. The investigation resulted in a finding of probable cause of discrimination based on race, in the areas of hiring, discipline, retaliation and terms and conditions of employment. The EEOC sought \$5,000,000 in total remedies for the class claims and approximately \$2,000,000 to the individual hiring charging parties. Additionally, the EEOC requested remedies for the individual charging parties totaling approximately \$2,500,000 and an additional \$1,000,000 in compensation to the class members.

The EEOC referred the matter to the United States Department of Justice who conducted a further investigation and stated by letter dated January 2, 2001 that suit has been authorized against the City of Milwaukee and the Fire and Police Commission on the basis of the information provided by the EEOC and upon the further information obtained from the investigation performed by the Department of Justice. The City has begun, and will continue to communicate with the Department of Justice in an effort to explore possible settlement, however it is presently unknown whether settlement can or will be effectuated. The Department of Justice has requested \$6,150,000 in compensatory damages for a class of victims.

The City has also been notified of a second EEOC investigation conducted of the hiring and employment practices for the Milwaukee Fire Department based upon charges filed by the Brotherhood of Firefighters which allege discrimination on the basis of race with respect to hiring, promotion, terms and conditions of employment and discipline. On December 10, 1999 the EEOC issued a Reasonable Cause Determination filing in respect to this investigation, resulting in a demand from the EEOC for a class-wide back-pay claims of \$12,700,000 with respect to the alleged victims. As of December 31, 2001, the City has recorded a reserve in the General Long-Term Obligations Account Group related to the above two cases.

#### Environmental Liabilities

The City is exposed to numerous environmental liabilities, the most significant of which relate to seven landfills. Two of the seven landfills have been closed. Of the remaining four landfills that are no longer accepting waste, the Wisconsin Department of Natural Resources has imposed closure requirements on the North College Avenue Site, which the City substantially closed during 2000. The Hartung landfill, which is used exclusively for clean fill, is expected to be closed within three years. The City has accrued \$2,730,000 in the General Long-Term Obligations Account Group for landfill closure related to the four sites. These amounts are based upon what it would cost to perform all closure activities in 2001. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

CITY OF MILWAUKEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

GASB Statement No. 18 "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs" establishes requirements for disclosure of closure and postclosure requirements for all municipal solid waste landfills receiving solid waste after October 9, 1991. The City's landfills have not accepted waste of this type since 1976 and is therefore not required to accrue for closure and postclosure care in accordance with GASB Statement No. 18.

#### **Intergovernmental grants**

Intergovernmental awards received by the City are subject to audit and adjustment by the funding agency or their representatives. If grant revenues are received for expenditures, which are subsequently disallowed, the City may be required to repay the revenues to the funding agency. In the opinion of management, liabilities resulting from such disallowed expenditures, if any, will not be material to the accompanying financial statements at December 31, 2001

#### **Conduit Debt Obligations**

From time to time, the City, as well as the Housing Authority and the Redevelopment Authority, has issued revenue bonds in order to provide financing to private sector entities for the purpose of acquiring, constructing, or rehabilitating housing units and for retiring the existing debt associated with housing units. These obligations are primarily secured by mortgage or revenue agreements on the associated projects and, together with the interest obligation, is payable solely by the developers from leased rentals and other funds or revenues. In addition, these obligations do not constitute indebtedness of the City, as the City has no responsibility for the debt beyond the resources provided by related leases or loans. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The aggregate amount of all revenue bonds outstanding at December 31, 2001 is \$83,066,356, \$56,491,000, and \$256,000,000 for the City, Housing Authority, and Redevelopment Authority, respectively.

#### **Job Opportunity Bond Program**

The Redevelopment Authority of the City of Milwaukee has issued certain Economic Development Bonds under the Job Opportunity Bond Program. Additional bonds may also be issued under this Program. These bonds are payable from a revenue fund to which the Authority has pledged and appropriated revenues to be received by the Authority from revenue agreements. In the event of an insufficiency of such revenues, these bonds are payable out of a program reserve fund and a common reserve fund maintained with respect to the program. In the event amounts available in these reserve funds fall below specified levels, the City has agreed, pursuant to the terms of the first amendment to the cooperation and pledge agreement, to consider making loans to the Authority to assist the Authority in maintaining the reserve funds at required levels. To date, the City has not loaned any funds for this purpose. This obligation is not enforceable by the Authority, the Trustee or the owners of the bonds against the City or the Common Council of the City or against any individual of the Council of the City or any officer or agent of the City.

### **12. SUBSEQUENT EVENTS**

In March of 2002, the City issued \$32,220,000 in general obligation corporate purpose bonds for various public improvement projects of the City, \$16,025,000 of general obligation short-term promissory notes for the purpose of financing year 2001 real and personal property tax receivables and improvements to public buildings, and \$102,000,000 of Revenue Anticipation Notes for the purpose of financing the City's operating budget on an interim basis pending receipt of state shared revenue payments due in November, 2002.

In April 2002, the Common Council of the City of Milwaukee approved an agreement to transfer the City's interest in the Captain Frederick Pabst Theater to The Cudahy Foundation, a tax exempt Wisconsin Charitable Trust.

### **13. RESTATEMENT**

The beginning retained earnings balance of the enterprise funds for 2001 has been restated by \$7,538,000 to capitalize fixed asset acquisitions that were improperly expensed in 2000 in the Sewer Maintenance (enterprise) fund. The net effect of this change was to increase construction in process and retained earnings at January 1, 2001 in the enterprise funds from \$9,827,000 to \$17,365,000 and \$228,937,000 to \$236,475,000, respectively.

Additionally, the prior year (2000) summarized totals for the combined balance sheet, combined statement of revenues, expenses and changes in retained earnings, and the combined statement of cash flows have also been restated to increase capital assets and retained earnings at December 31, 2000, and reduce operating expenses for the year then ended by \$7,538,000.

This page left blank intentionally.

**COMBINING AND  
INDIVIDUAL FUND AND  
ACCOUNT GROUP  
STATEMENTS AND  
SCHEDULES**

This page left blank intentionally.



## **GENERAL FUND**

The General Fund is used to account for all financial resources, except those required to be accounted for in another fund.

CITY OF MILWAUKEE  
GENERAL FUND  
COMPARATIVE BALANCE SHEET  
DECEMBER 31, 2001 AND 2000  
(Thousands of Dollars)

Exhibit A-1

	2001	2000
<b>ASSETS</b>		
Cash and cash equivalents .....	\$ 29,769	\$ 9,240
Receivables (net):		
Taxes .....	21,091	23,152
Accounts .....	19,014	18,918
Unbilled accounts .....	1,835	989
Notes and loans .....	670	768
Accrued interest .....	604	961
Due from other funds .....	23,988	11,917
Due from component units .....	3,395	4,892
Due from other governmental agencies .....	981	1,383
Other receivables .....	12,222	12,694
Inventory of materials and supplies .....	5,652	5,988
Inventory of property for resale .....	26	26
Prepaid items .....	1,019	366
Restricted Assets:		
Investments .....	281	281
<b>Total Assets</b> .....	<b>\$ 120,547</b>	<b>\$ 91,575</b>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable .....	\$ 21,716	\$ 23,180
Accrued wages .....	28,155	27,277
Due to other funds .....		253
Deferred revenue .....	1,832	1,971
<b>Total Liabilities</b> .....	<b>\$ 51,703</b>	<b>\$ 52,681</b>
Fund Balance:		
Reserved for encumbrances, prepaids, and carryovers .....	\$ 22,460	\$ 8,886
Reserved for inventory .....	5,678	6,014
Reserved for mortgage trust .....	281	281
Reserved for environmental remediation .....	303	304
Reserved for tax stabilization - 2002 (2001) .....	11,000	5,500
Reserved for tax stabilization - 2003 (2002) and subsequent years' budgets .....	29,122	17,909
<b>Total Fund Balance</b> .....	<b>\$ 68,844</b>	<b>\$ 38,894</b>
<b>Total Liabilities and Fund Balance</b> .....	<b>\$ 120,547</b>	<b>\$ 91,575</b>

CITY OF MILWAUKEE  
GENERAL FUND

Exhibit A-2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2001  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2000  
(Thousands of Dollars)

	2001	2000
Revenues:		
Property taxes .....	\$ 118,804	\$ 98,456
Other taxes .....	12,688	12,808
Licenses and permits .....	10,485	10,154
Intergovernmental .....	278,969	278,434
Charges for services .....	54,594	45,383
Fines and forfeits .....	4,408	18,036
Other .....	12,408	14,358
Total Revenues .....	<u>\$ 492,356</u>	<u>\$ 477,629</u>
Expenditures:		
Current:		
General government .....	\$ 162,628	\$ 157,615
Public safety .....	209,521	220,879
Public works .....	87,453	100,696
Health .....	11,237	11,363
Culture and recreation .....	16,948	17,584
Conservation and development .....	7,922	7,502
Total Expenditures .....	<u>\$ 495,709</u>	<u>\$ 515,639</u>
Excess of Revenues over (under) Expenditures .....	<u>\$ (3,353)</u>	<u>\$ (38,010)</u>
Other Financing Sources (Uses):		
Proceeds of bonds and notes .....	\$ 7,071	\$ 1,312
Operating transfers in .....	24,365	11,213
Operating transfers out .....	(104)	(338)
Operating transfers to component units .....	(150)	(150)
Contributions received .....	675	536
Contributions used .....	(462)	(685)
Total Other Financing Sources (Uses) .....	<u>\$ 31,395</u>	<u>\$ 11,888</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses .....	<u>\$ 28,042</u>	<u>\$ (26,122)</u>
Fund Balance - January 1 .....	38,894	65,023
Residual Equity Transfers from Other Funds .....	1,921	2
Residual Equity Transfers to Other Funds .....	(13)	(9)
Fund Balance - December 31 .....	<u>\$ 68,844</u>	<u>\$ 38,894</u>

## GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2000**  
*(Thousands of Dollars)*

	Amended Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)	2000 Actual on Budgetary Basis
<b>Revenues:</b>				
Property taxes .....	\$ 118,804	\$ 118,804	\$ -	\$ 98,456
Other taxes .....	12,113	12,688	575	12,808
Licenses and permits .....	8,817	10,485	1,668	10,154
Intergovernmental .....	278,732	278,969	237	278,434
Charges for services .....	55,401	54,594	(807)	45,383
Fines and forfeits .....	5,510	4,408	(1,102)	18,036
Other .....	13,085	12,408	(677)	14,358
<b>Total Revenues .....</b>	<b>\$ 492,462</b>	<b>\$ 492,356</b>	<b>\$ (106)</b>	<b>\$ 477,629</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government .....	\$ 171,803	\$ 162,628	\$ 9,175	\$ 157,615
Public safety .....	210,274	209,521	753	220,879
Public works .....	87,574	87,453	121	100,696
Health .....	11,370	11,237	133	11,363
Culture and recreation .....	17,351	16,948	403	17,584
Conservation and development .....	8,688	7,922	766	7,502
<b>Total Expenditures .....</b>	<b>\$ 507,060</b>	<b>\$ 495,709</b>	<b>\$ 11,351</b>	<b>\$ 515,639</b>
<b>Excess of Revenues over (under) Expenditures .....</b>	<b>\$ (14,598)</b>	<b>\$ (3,353)</b>	<b>\$ 11,245</b>	<b>\$ (38,010)</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds of bonds and notes .....	\$	\$	\$	\$ 8,071
Operating transfers in .....	22,708	24,365	1,657	11,213
Operating transfers out .....	(104)	(104)	-	(338)
Operating transfers to component units .....	(150)	(150)	-	(150)
Contributions received .....	675	675	-	536
Contributions used .....	(463)	(462)	1	(685)
Use of fund balance - reserved for tax stabilization .....	5,500	5,500	-	11,250
<b>Total Other Financing Sources (Uses) .....</b>	<b>\$ 28,166</b>	<b>\$ 29,824</b>	<b>\$ 1,658</b>	<b>\$ 29,897</b>
<b>Excess of Revenues and Other Sources over (under)</b>				
Expenditures and Other Uses .....	\$ 13,568	\$ 26,471	\$ 12,903	\$ (8,113)
<b>Fund Balance - January 1 (Excludes Reserved for</b>				
Tax Stabilization) .....	40,465	40,465	-	55,085
<b>Residual Equity Transfers from Other Funds .....</b>	<b>10</b>	<b>1,921</b>	<b>1,911</b>	<b>2</b>
<b>Residual Equity Transfers to Other Funds .....</b>	<b>_____</b>	<b>(13)</b>	<b>(13)</b>	<b>(9)</b>
<b>Fund Balance - December 31 .....</b>	<b>\$ 54,043</b>	<b>\$ 68,844</b>	<b>\$ 14,801</b>	<b>\$ 46,965</b>

CITY OF MILWAUKEE  
GENERAL FUND  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2001  
(Thousands of Dollars)

Exhibit A-4

	Amended Budget	Actual	Variance - Favorable (Unfavorable)
Property Taxes:			
General .....	\$ 82,861	\$ 82,861	\$ -
Provision for Employees' Retirement .....	35,943	35,943	-
Total Property Taxes .....	<u>\$ 118,804</u>	<u>\$ 118,804</u>	<u>\$ -</u>
Other Taxes:			
Payment in lieu of taxes .....	\$ 11,004	\$ 11,263	\$ 259
Interest on city tax certificates and other taxes .....	1,109	1,425	316
Total Other Taxes .....	<u>\$ 12,113</u>	<u>\$ 12,688</u>	<u>\$ 575</u>
Licenses and Permits:			
Licenses:			
Business and occupational .....	\$ 2,917	\$ 3,539	\$ 622
Other .....	28	31	3
Permits:			
Building .....	4,974	5,873	899
Zoning .....	184	225	41
Other .....	714	817	103
Total Licenses and Permits .....	<u>\$ 8,817</u>	<u>\$ 10,485</u>	<u>\$ 1,668</u>
Intergovernmental:			
State Shares Revenues:			
State shared taxes .....	\$ 243,550	\$ 243,680	\$ 130
Local street aids .....	27,700	27,706	6
Payment for municipal services .....	1,800	2,007	207
Other .....	5,682	5,576	(106)
Total Intergovernmental .....	<u>\$ 278,732</u>	<u>\$ 278,969</u>	<u>\$ 237</u>
Charges for Services:			
General government .....	\$ 38,860	\$ 35,155	\$ (3,705)
Public safety .....	5,812	7,245	1,433
Public works .....	7,093	8,688	1,595
Health .....	955	717	(238)
Culture and recreation .....	2,125	2,295	170
Conservation and development .....	556	494	(62)
Total Charges for Services .....	<u>\$ 55,401</u>	<u>\$ 54,594</u>	<u>\$ (807)</u>
Fines and Forfeits:			
Municipal Court .....	\$ 5,510	\$ 4,408	\$ (1,102)
Other:			
Interest on temporary investments .....	\$ 6,300	\$ 4,802	\$ (1,498)
Miscellaneous .....	6,785	7,606	821
Total Other .....	<u>\$ 13,085</u>	<u>\$ 12,408</u>	<u>\$ (677)</u>
<b>Total .....</b>	<b><u>\$ 492,462</u></b>	<b><u>\$ 492,356</u></b>	<b><u>\$ (106)</u></b>

CITY OF MILWAUKEE  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2001  
(Thousands of Dollars)

Exhibit A-5

		2001 Actual				
	Amended Budget	Salaries and Wages	Other Operating Costs	Equipment	Total	Variance - Favorable (Unfavorable)
General Government:						
Deferred Compensation .....	\$ 987	\$ 119	\$ 612	\$ 2	\$ 733	\$ 254
Zoning Appeals .....	226	174	41		215	11
Intern Program .....	52	52			52	
Mayor .....	930	821	49	9	879	51
Common Council - City Clerk .....	6,793	4,798	1,332	216	6,346	447
Municipal Court .....	3,007	1,690	1,206	2	2,898	109
City Attorney .....	9,011	4,428	3,869	193	8,490	521
Administration .....	8,348	4,623	3,455	85	8,163	185
Employee Relations .....	76,339	3,110	72,904	13	76,027	312
Election Commission .....	889	414	401		815	74
Comptroller .....	27,885	2,600	25,038	46	27,684	201
City Treasurer .....	3,752	1,435	2,019	9	3,463	289
Assessor's Office .....	3,498	3,130	352		3,482	16
Public Debt Commission .....	523	106	359		465	58
Employee Retirement Administration ..	20,976	1,582	13,643	81	15,306	5,670
Interest Expense .....	7,610		7,610		7,610	-
Contingent Funds - Unallocated .....	588					588
Convention & Travel - Unallocated .....	32					32
Expert Witness - Unallocated .....	357					357
Total General Government .....	<u>\$ 171,803</u>	<u>\$ 29,082</u>	<u>\$ 132,890</u>	<u>\$ 656</u>	<u>\$ 162,628</u>	<u>\$ 9,175</u>
Public Safety:						
Fire and Police Commission .....	\$ 845	\$ 635	\$ 190	\$ 4	\$ 829	\$ 16
Fire Department .....	64,646	57,722	3,401	3,166	64,289	357
Police Department .....	132,439	120,957	9,783	1,467	132,207	232
Neighborhood Services .....	12,344	7,220	4,945	31	12,196	148
Total Public Safety .....	<u>\$ 210,274</u>	<u>\$ 186,534</u>	<u>\$ 18,319</u>	<u>\$ 4,668</u>	<u>\$ 209,521</u>	<u>\$ 753</u>
Public Works:						
General Office .....	\$ 3,533	\$ 2,700	\$ 755	\$ 71	\$ 3,526	\$ 7
Infrastructure .....	18,853	12,268	6,476	100	18,844	9
Support Services .....	29,704	16,625	10,805	2,170	29,600	104
Sanitation .....	27,145		27,145		27,145	-
Forestry .....	8,339	7,350	834	154	8,338	1
Total Public Works .....	<u>\$ 87,574</u>	<u>\$ 38,943</u>	<u>\$ 46,015</u>	<u>\$ 2,495</u>	<u>\$ 87,453</u>	<u>\$ 121</u>
Health .....	<u>\$ 11,370</u>	<u>\$ 9,079</u>	<u>\$ 2,147</u>	<u>\$ 11</u>	<u>\$ 11,237</u>	<u>\$ 133</u>
Culture and Recreation:						
Public Library .....	<u>\$ 17,351</u>	<u>\$ 11,689</u>	<u>\$ 3,021</u>	<u>\$ 2,238</u>	<u>\$ 16,948</u>	<u>\$ 403</u>
Conservation and Development:						
Department of City Development .....	<u>\$ 8,688</u>	<u>\$ 2,934</u>	<u>\$ 4,988</u>	<u>\$ -</u>	<u>\$ 7,922</u>	<u>\$ 766</u>
Total .....	<u><u>\$ 507,060</u></u>	<u><u>\$ 278,261</u></u>	<u><u>\$ 207,380</u></u>	<u><u>\$ 10,068</u></u>	<u><u>\$ 495,709</u></u>	<u><u>\$ 11,351</u></u>

## **SPECIAL REVENUE FUNDS**

### **GRANT AND AID PROJECTS**

This Fund is used to account for Federal and State grants whose proceeds are legally restricted to expenditures for specific purposes and which are not accounted for in other special revenue funds.

### **COMMUNITY DEVELOPMENT BLOCK GRANT**

The Community Development Block Grant Program receives annual grants pursuant to the Federal Housing and Community Development Act of 1974. This fund also includes amounts received under the Section 108 Loan Program. The City's Department of Administration is responsible for the planning, execution and evaluation of the Program.

### **DELINQUENT TAX**

This Fund was established as a reserve against uncollected delinquent property taxes. Fund resources, consisting initially of bond proceeds, are used to purchase delinquent property taxes from the General Fund. Collections on these purchased receivables and related interest thereon are transferred to the General Obligation Debt Service Fund to provide for the related debt service requirements.

CITY OF MILWAUKEE  
SPECIAL REVENUE  
COMBINING BALANCE SHEET  
DECEMBER 31, 2001  
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000  
(Thousands of Dollars)

Exhibit B-1

	Grant and Aid Projects	Community Development Block Grant	Delinquent Tax	2001	Totals 2000
<b>ASSETS</b>					
Cash and cash equivalents .....	\$ 7,813	\$	\$ 14,149	\$ 21,962	\$ 19,024
Receivables (net):					
Taxes .....			8,597	8,597	8,335
Accounts .....	1,262	774		2,036	1,511
Notes and loans .....	1,400	4,907		6,307	6,291
Accrued interest .....	2			2	
Due from other funds .....				-	253
Due from component units .....				-	24
Due from other governmental agencies .....	8,370	3,511		11,881	12,984
Prepaid items .....				-	34
<b>Total Assets .....</b>	<b>\$ 18,847</b>	<b>\$ 9,192</b>	<b>\$ 22,746</b>	<b>\$ 50,785</b>	<b>\$ 48,456</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable .....	\$ 2,772	\$ 1,920	\$ 261	\$ 4,953	\$ 6,461
Accrued wages .....	230	92		322	245
Due to other funds .....	7,570	973		8,543	6,220
Due to component units .....	452	521		973	2,112
Due to other governmental agencies .....	2	774		776	850
Deferred revenue .....	7,821	4,912		12,733	11,560
<b>Total Liabilities .....</b>	<b>\$ 18,847</b>	<b>\$ 9,192</b>	<b>\$ 261</b>	<b>\$ 28,300</b>	<b>\$ 27,448</b>
Fund Balances:					
Reserved for debt service - 2002 (2001) .....	\$	\$	\$ 13,381	\$ 13,381	\$ 13,045
Reserved for future retirement of general obligation debt .....			507	507	-
Reserved for delinquent taxes receivable .....			8,597	8,597	7,963
<b>Total Fund Balances .....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22,485</b>	<b>\$ 22,485</b>	<b>\$ 21,008</b>
<b>Total Liabilities and Fund Balances .....</b>	<b>\$ 18,847</b>	<b>\$ 9,192</b>	<b>\$ 22,746</b>	<b>\$ 50,785</b>	<b>\$ 48,456</b>



CITY OF MILWAUKEE  
SPECIAL REVENUE FUNDS

Exhibit B-2

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
FOR THE YEAR ENDED DECEMBER 31, 2001  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000  
(Thousands of Dollars)

	Grant and Aid Projects	Community Development Block Grant	Delinquent Tax	2001	Totals 2000
<b>Revenues:</b>					
Intergovernmental .....	\$ 36,546	\$ 24,674	\$	\$ 61,220	\$ 61,404
Other .....			998	998	1,152
<b>Total Revenues .....</b>	<b>\$ 36,546</b>	<b>\$ 24,674</b>	<b>\$ 998</b>	<b>\$ 62,218</b>	<b>\$ 62,556</b>
<b>Expenditures:</b>					
Current:					
General government .....	\$	\$ 1,558	\$ 61	\$ 1,619	\$ 1,488
Public safety .....	12,119	1,639		13,758	14,278
Public works .....	2,977	589		3,566	4,678
Health .....	11,607	193		11,800	12,205
Culture and recreation .....	1,102	1,100		2,202	2,180
Conservation and development .....	8,685	19,595		28,280	26,572
<b>Total Expenditures .....</b>	<b>\$ 36,490</b>	<b>\$ 24,674</b>	<b>\$ 61</b>	<b>\$ 61,225</b>	<b>\$ 61,401</b>
<b>Excess of Revenues over (under) Expenditures .....</b>	<b>\$ 56</b>	<b>\$ -</b>	<b>\$ 937</b>	<b>\$ 993</b>	<b>\$ 1,155</b>
<b>Other Financing Sources (Uses):</b>					
Proceeds of bonds and notes .....	\$	\$	\$ 13,585	\$ 13,585	\$ 10,975
Operating transfers out .....			(13,045)	(13,045)	(12,351)
<b>Total Other Financing Sources (Uses) .....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 540</b>	<b>\$ 540</b>	<b>\$ (1,376)</b>
<b>Excess of Revenues and Other Sources over (under) Expenditures and Other Uses .....</b>	<b>\$ 56</b>	<b>\$ -</b>	<b>\$ 1,477</b>	<b>\$ 1,533</b>	<b>\$ (221)</b>
<b>Fund Balances (Deficit) - January 1 .....</b>	<b>-</b>	<b>-</b>	<b>21,008</b>	<b>21,008</b>	<b>21,231</b>
<b>Residual Equity Transfers to Other Funds .....</b>	<b>(56)</b>			<b>(56)</b>	<b>(2)</b>
<b>Fund Balances (Deficit) - December 31 .....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22,485</b>	<b>\$ 22,485</b>	<b>\$ 21,008</b>

## BUDGETED SPECIAL REVENUE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2000**  
*(Thousands of Dollars)*

	Grant and Aid Projects		
	Amended Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental .....	\$ 36,973	\$ 36,546	\$ (427)
<b>Expenditures:</b>			
<b>Current:</b>			
General government .....	\$	\$	\$ -
Public safety .....	12,158	12,119	39
Public works .....	2,982	2,977	5
Health .....	12,040	11,607	433
Culture and recreation .....	1,108	1,102	6
Conservation and development .....	8,685	8,685	-
<b>Total Expenditures .....</b>	<b>\$ 36,973</b>	<b>\$ 36,490</b>	<b>\$ 483</b>
Excess of Revenues over (under) Expenditures .....	\$ -	\$ 56	\$ 56
Fund Balances (Deficit) - January 1 .....			-
Residual Equity Transfers to Other Funds .....		(56)	(56)
<b>Fund Balances (Deficit) - December 31 .....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Community Development Block Grant			2001			2000
Amended Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)	Amended Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)	Actual on Budgetary Basis
<u>\$ 24,674</u>	<u>\$ 24,674</u>	<u>\$ -</u>	<u>\$ 61,647</u>	<u>\$ 61,220</u>	<u>\$ (427)</u>	<u>\$ 61,404</u>
\$ 1,558	\$ 1,558	\$ -	\$ 1,558	\$ 1,558	\$ -	\$ 1,488
1,639	1,639	-	13,797	13,758	39	14,278
589	589	-	3,571	3,566	5	4,678
193	193	-	12,233	11,800	433	12,205
1,100	1,100	-	2,208	2,202	6	2,180
<u>19,595</u>	<u>19,595</u>	<u>-</u>	<u>28,280</u>	<u>28,280</u>	<u>-</u>	<u>26,572</u>
<u>\$ 24,674</u>	<u>\$ 24,674</u>	<u>\$ -</u>	<u>\$ 61,647</u>	<u>\$ 61,164</u>	<u>\$ 483</u>	<u>\$ 61,401</u>
\$ -	\$ -	\$ -	\$ -	\$ 56	\$ 56	\$ 3
		-	-	-	-	(1)
		-		(56)	(56)	(2)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This page left blank intentionally.

## **DEBT SERVICE FUNDS**

### **GENERAL OBLIGATION DEBT**

Principal and interest on the City's outstanding long-term general obligation debt are paid from this Fund.

### **PUBLIC DEBT AMORTIZATION**

The Public Debt Amortization Fund is governed by Section 67.101 of the Wisconsin Statutes for the retirement of the public debt.

CITY OF MILWAUKEE  
DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2001  
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000  
(Thousands of Dollars)

Exhibit C-1

	General Obligation Debt	Public Debt Amortization	2001	Totals 2000
<b>ASSETS</b>				
Cash and cash equivalents .....	\$ 43,270	\$ 7,163	\$ 50,433	\$ 34,531
Investments .....		65,519	65,519	67,985
Receivables (net):				
Accounts .....			-	3,202
Notes and loans .....	17,637		17,637	18,866
Accrued interest .....	61	167	228	178
Due from other funds .....			-	387
Due from component units .....	18,999		18,999	12,354
<b>Total Assets .....</b>	<b>\$ 79,967</b>	<b>\$ 72,849</b>	<b>\$ 152,816</b>	<b>\$ 137,503</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Due to other funds .....	\$ 1,194	\$	\$ 1,194	\$ 1,840
Deferred revenue .....	36,636		36,636	31,220
<b>Total Liabilities .....</b>	<b>\$ 37,830</b>	<b>\$ -</b>	<b>\$ 37,830</b>	<b>\$ 33,060</b>
Fund Balances:				
Reserved for debt service - 2002 (2001) .....	\$ 42,137	\$	\$ 42,137	\$ 30,436
Reserved for future retirement of general obligation debt .....		72,849	72,849	74,007
<b>Total Fund Balances .....</b>	<b>\$ 42,137</b>	<b>\$ 72,849</b>	<b>\$ 114,986</b>	<b>\$ 104,443</b>
<b>Total Liabilities and Fund Balances .....</b>	<b>\$ 79,967</b>	<b>\$ 72,849</b>	<b>\$ 152,816</b>	<b>\$ 137,503</b>

CITY OF MILWAUKEE  
DEBT SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2001  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000  
(Thousands of Dollars)

Exhibit C-2

	General Obligation Debt	Public Debt Amortization	2001	Totals 2000
Revenues:				
Property Taxes:				
General property taxes .....	\$ 59,491	\$	\$ 59,491	\$ 48,973
Tax increments .....	10,200		10,200	8,702
Total Property Taxes .....	\$ 69,691	\$ -	\$ 69,691	\$ 57,675
Other Taxes:				
Interest on delinquent taxes .....	\$	\$ 1,358	\$ 1,358	\$ 1,051
Other:				
Interest on fund investments .....	\$ 2,084	\$ 5,106	\$ 7,190	\$ 11,382
Interest on general investments .....		2,352	2,352	4,128
Interest on special assessments .....		332	332	347
Premium and accrued interest on bonds and notes sold .....	7,059		7,059	6,306
Capitalized interest .....	2,750		2,750	442
Revenue from other agencies .....	6,659		6,659	8,559
Total Other .....	\$ 18,552	\$ 7,790	\$ 26,342	\$ 31,164
Total Revenues .....	\$ 88,243	\$ 9,148	\$ 97,391	\$ 89,890
Expenditures:				
General Government:				
Public Debt Commission.....	\$	\$ 2	\$ 2	\$
Debt Service:				
Principal retirement .....	63,254	8,650	71,904	70,143
Interest .....	24,927	1,654	26,581	23,733
Total Expenditures .....	\$ 88,181	\$ 10,306	\$ 98,487	\$ 93,876
Excess of Revenues over (under) Expenditures .....	\$ 62	\$ (1,158)	\$ (1,096)	\$ (3,986)
Other Financing Sources (Uses):				
Proceeds of bonds and notes .....	\$ 23,216	\$	\$ 23,216	\$
Payment to refunded bond escrow agent .....	(23,216)		(23,216)	
Operating transfers in .....	28,686		28,686	26,584
Operating transfers out .....	(16,628)		(16,628)	(20,387)
Total Other Financing Sources (Uses) .....	\$ 12,058	\$ -	\$ 12,058	\$ 6,197
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses .....	\$ 12,120	\$ (1,158)	\$ 10,962	\$ 2,211
Fund Balances - January 1 .....	30,436	74,007	104,443	105,170
Residual Equity Transfers from Other Funds .....	3,484		3,484	462
Residual Equity Transfers to Other Funds .....	(3,903)		(3,903)	(3,400)
Fund Balances - December 31 .....	\$ 42,137	\$ 72,849	\$ 114,986	\$ 104,443

This page left blank intentionally.



## **CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for financial resources segregated for the acquisition or construction of major capital facilities other than those financed by proprietary funds. Capital Projects Funds are identified as follows:

### **BRIDGES**

To account for the financing, construction and repair of bridges and viaducts.

### **BUILDINGS AND GROUNDS**

To account for the financing, construction and repair of buildings and improvements to city-owned land and playgrounds.

### **SEWERS**

To account for the financing and construction of new and replacement storm, sanitary and combined sewer projects.

### **URBAN RENEWAL**

To account for the financing and costs of activities undertaken to prevent and eliminate blight and slum conditions.

### **STREETS**

To account for the financing and construction of new and replacement streets, alleys and sidewalks; and for the cost of installation of street lights, traffic lights, parking signs and communication equipment.

### **TAX INCREMENTAL DISTRICTS**

To account for the financing and costs of redeveloping blighted areas which are eligible under the Wisconsin Tax Incremental Law, Section 66.46 of the Wisconsin Statutes.

### **SPECIAL ASSESSMENTS**

To account for the financing and construction of the City's assessable projects. Upon completion, owners of benefited property are assessed for construction costs incurred.

CITY OF MILWAUKEE  
CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2001  
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000  
(Thousands of Dollars)

Exhibit D-1

	Bridges	Buildings and Grounds	Sewers
<b>ASSETS</b>			
Cash and cash equivalents .....	\$ 3,664	\$ 15,520	\$ 385
Receivables (net):			
Accounts .....			1,430
Special assessments .....			
Due from other governmental agencies .....	3,001		445
Inventory of materials and supplies .....			203
Prepaid items .....			
<b>Total Assets .....</b>	<b><u>\$ 6,665</u></b>	<b><u>\$ 15,520</u></b>	<b><u>\$ 2,463</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable .....	\$ 1	\$ 8,108	\$ 1,057
Accrued wages .....	10	49	14
Due to other funds .....			
Due to other governmental agencies .....	709		331
Deferred revenue .....	1,274		386
Other payables .....			
<b>Total Liabilities .....</b>	<b><u>\$ 1,994</u></b>	<b><u>\$ 8,157</u></b>	<b><u>\$ 1,788</u></b>
Fund Balances:			
Reserved for encumbrances, prepaids and carryovers .....	\$ 4,671	\$ 7,363	\$ 472
Reserved for inventory .....			203
Unreserved:			
Special assessment (deficit) .....			
<b>Total Fund Balances (Deficit) .....</b>	<b><u>\$ 4,671</u></b>	<b><u>\$ 7,363</u></b>	<b><u>\$ 675</u></b>
<b>Total Liabilities and Fund Balance .....</b>	<b><u>\$ 6,665</u></b>	<b><u>\$ 15,520</u></b>	<b><u>\$ 2,463</u></b>

Urban Renewal	Streets	Tax Incremental Districts	Special Assessments	Totals	
				2001	2000
\$ 3,128	\$	\$ 5,192	\$	\$ 27,889	\$ 41,912
	856			2,286	1,647
			13,610	13,610	13,233
342	6,663			10,451	7,155
				203	199
				-	1
<u>\$ 3,470</u>	<u>\$ 7,519</u>	<u>\$ 5,192</u>	<u>\$ 13,610</u>	<u>\$ 54,439</u>	<u>\$ 64,147</u>
\$ 268	\$ 583	\$ 252	\$ 137	\$ 10,406	\$ 12,739
1	331	19		424	220
	617			617	-
	4,044		1,200	6,284	2,553
25	889		12,436	15,010	13,209
			<u>12,222</u>	<u>12,222</u>	<u>12,694</u>
<u>\$ 294</u>	<u>\$ 6,464</u>	<u>\$ 271</u>	<u>\$ 25,995</u>	<u>\$ 44,963</u>	<u>\$ 41,415</u>
\$ 3,176	\$ 1,055	\$ 4,921	\$	\$ 21,658	\$ 34,278
				203	199
			(12,385)	(12,385)	(11,745)
<u>\$ 3,176</u>	<u>\$ 1,055</u>	<u>\$ 4,921</u>	<u>\$ (12,385)</u>	<u>\$ 9,476</u>	<u>\$ 22,732</u>
<u>\$ 3,470</u>	<u>\$ 7,519</u>	<u>\$ 5,192</u>	<u>\$ 13,610</u>	<u>\$ 54,439</u>	<u>\$ 64,147</u>

CITY OF MILWAUKEE  
**CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000**  
*(Thousands of Dollars)*

Exhibit D-2

	Bridges	Buildings and Grounds	Sewers
Revenues:			
Property taxes .....	\$	\$ 1,824	\$
Special assessments .....			
Intergovernmental .....	537		336
Other .....	<u>          </u>	<u>3</u>	<u>1,529</u>
Total Revenues .....	\$ 537	\$ 1,827	\$ 1,865
Expenditures:			
Capital outlay .....	<u>1,601</u>	<u>37,348</u>	<u>11,420</u>
Excess of Revenues over (under) Expenditures .....	<u>\$ (1,064)</u>	<u>\$ (35,521)</u>	<u>\$ (9,555)</u>
Other Financing Sources (Uses):			
Proceeds of bonds and notes .....	\$ 2,873	\$ 27,350	\$ 3,545
Operating transfers out .....	<u>          </u>	<u>          </u>	<u>          </u>
Total Other Financing Sources (Uses) .....	<u>\$ 2,873</u>	<u>\$ 27,350</u>	<u>\$ 3,545</u>
Excess of Revenues and Other Sources over (under)			
Expenditures and Other Uses .....	\$ 1,809	\$ (8,171)	\$ (6,010)
Fund Balances (Deficits) - January 1 .....	2,862	15,534	6,685
Residual Equity Transfers to Other Funds .....	<u>          </u>	<u>          </u>	<u>          </u>
Fund Balances (Deficits) - December 31 .....	<u>\$ 4,671</u>	<u>\$ 7,363</u>	<u>\$ 675</u>

Urban Renewal	Streets	Tax Incremental Districts	Special Assessments	Totals	
				2001	2000
\$ 150	\$ 187	\$	\$	\$ 2,161	\$ 2,587
25	7,606		3,807	3,807	3,930
32	1,216	3,485		8,504	8,319
				6,265	1,947
\$ 207	\$ 9,009	\$ 3,485	\$ 3,807	\$ 20,737	\$ 16,783
2,498	26,617	20,548	4,447	104,479	77,629
\$ (2,291)	\$ (17,608)	\$ (17,063)	\$ (640)	\$ (83,742)	\$ (60,846)
\$ 1,749	\$ 13,593	\$ 24,860	\$ 2,883	\$ 76,853	\$ 78,940
			(2,883)	(2,883)	(1,885)
\$ 1,749	\$ 13,593	\$ 24,860	\$ -	\$ 73,970	\$ 77,055
\$ (542)	\$ (4,015)	\$ 7,797	\$ (640)	\$ (9,772)	\$ 16,209
3,718	5,070	608	(11,745)	22,732	6,985
		(3,484)		(3,484)	(462)
<u>\$ 3,176</u>	<u>\$ 1,055</u>	<u>\$ 4,921</u>	<u>\$ (12,385)</u>	<u>\$ 9,476</u>	<u>\$ 22,732</u>

This page left blank intentionally.

# **ENTERPRISE FUNDS**

## **METROPOLITAN SEWERAGE DISTRICT USER CHARGE**

The Metropolitan Sewerage District User Charge Fund is used to account for sewerage treatment charges by the Milwaukee Metropolitan Sewerage District to the City on a "wholesale" user charge basis and the subsequent billing by the City to customers on a "retail" basis. The City adds administrative expense to the District's charges and includes the sewer user charges on the quarterly water bills.

## **PARKING**

The Parking Fund was established to account for revenues derived from parking meters, parking permits, rentals and leasing of parking facilities and other revenues attributable to parking. The revenues are used to defray administrative and operational costs related to parking operations, and to acquire, landscape and construct parking lots and structures.

## **PORT OF MILWAUKEE**

All activities necessary to operate and maintain the Port of Milwaukee and other related harbor activities are accounted for in this Fund.

## **SEWER MAINTENANCE**

The Sewer Maintenance Fund, in accordance with Wisconsin State Statutes Section 66.076, permits municipalities to implement sewer fees to recover the costs of operation, maintenance, repair, and depreciation of sewer collection and transportation facilities. Sewer maintenance costs are recovered through a user fee rather than through the property tax.

## **SOLID WASTE**

The Solid Waste Fund is used to account for the entire Department of Public Works - Sanitation Division. State Statutes, Section 66.076, permits municipalities to implement a special charge for current services which may allocate all or part of the service costs onto the properties served. The City established the fund to recover approximately 25% of solid waste collection costs through a user fee. The remaining costs as well as snow and ice removal will be subsidized through the General Fund. The fund was closed effective December 31, 2001.

## **WATER WORKS**

All activities necessary to provide water services to residents of the City and outlying areas are accounted for in this Fund. Fund activities include administration, billing and collection, operations, maintenance and financing.

CITY OF MILWAUKEE  
ENTERPRISE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2001  
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000  
(Thousands of Dollars)

Exhibit E-1

	Metropolitan Sewerage District User Charge	Parking
<b>ASSETS</b>		
Cash and cash equivalents .....	\$ 3,072	\$ 7,539
Investments .....		
Receivables (net):		
Accounts .....	4,029	
Unbilled accounts .....	1,858	
Accrued interest .....		
Due from other funds .....	355	
Inventory of materials and supplies .....		
Prepaid items .....		
Deferred charges .....		
Other assets .....		
Restricted Assets:		
Cash and cash equivalents .....		
Land .....		9,854
Buildings .....		48,326
Infrastructure .....		
Improvements other than buildings .....		5,669
Machinery and equipment .....		474
Furniture and furnishings .....		
Construction work in progress .....		
Nonutility property .....		
Accumulated depreciation .....		(17,069)
<b>Total Assets</b> .....	<b>\$ 9,314</b>	<b>\$ 54,793</b>
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Accounts payable .....	\$ 7,898	\$ 923
Accrued wages .....	8	393
Accrued expenses .....		
Due to other funds .....		
General obligation debt payable - current .....		3,510
Deferred revenue .....		61
Bond anticipation notes payable .....		
General obligation debt .....		21,963
Revenue bonds payable .....		
Total Liabilities .....	<u>\$ 7,906</u>	<u>\$ 26,850</u>
Fund Equity:		
Contributed capital .....	\$	\$ 22,158
Retained Earnings:		
Unreserved (deficit) .....	1,408	5,785
Reserved for restricted assets .....		
Total Fund Equity .....	<u>\$ 1,408</u>	<u>\$ 27,943</u>
<b>Total Liabilities and Fund Equity</b> .....	<b>\$ 9,314</b>	<b>\$ 54,793</b>



Port of Milwaukee	Sewer Maintenance	Solid Waste	Water Works	Totals	
				2001	2000 (Restated)
\$	\$	\$	\$ 16,192	\$ 26,803	\$ 20,022
				-	4,000
894	8,758		11,291	24,972	22,112
	2,012		5,727	9,597	10,047
			36	36	29
	209			564	614
	3		2,613	2,616	2,183
			29	29	106
	367			367	2
			367	367	983
	23,365			23,365	
8,280			1,585	19,719	19,719
9,699			22,430	80,455	78,323
	265,856			265,856	
17,681			255,131	278,481	271,681
4,834	1,035		187,521	193,864	192,747
31	47			78	189
	9,978		10,167	20,145	17,365
			540	540	540
(20,910)	(82,088)		(126,431)	(246,498)	(153,436)
<u>\$ 20,509</u>	<u>\$ 229,542</u>	<u>\$ -</u>	<u>\$ 387,198</u>	<u>\$ 701,356</u>	<u>\$ 487,226</u>
\$ 124	\$ 1,198	\$	\$ 2,493	\$ 12,636	\$ 13,135
138	670		2,236	3,445	3,236
	866			866	
264	12,051		1,883	14,198	4,733
353			5,796	9,659	9,496
				61	51
				-	6,258
3,190			42,752	67,905	74,070
	29,095		15,266	44,361	16,029
<u>\$ 4,069</u>	<u>\$ 43,880</u>	<u>\$ -</u>	<u>\$ 70,426</u>	<u>\$ 153,131</u>	<u>\$ 127,008</u>
\$ 29,143	\$ 179,656	\$	\$ 72,657	\$ 303,614	\$ 123,743
(12,703)	(17,359)		244,115	221,246	236,475
	23,365			23,365	
<u>\$ 16,440</u>	<u>\$ 185,662</u>	<u>\$ -</u>	<u>\$ 316,772</u>	<u>\$ 548,225</u>	<u>\$ 360,218</u>
<u>\$ 20,509</u>	<u>\$ 229,542</u>	<u>\$ -</u>	<u>\$ 387,198</u>	<u>\$ 701,356</u>	<u>\$ 487,226</u>

CITY OF MILWAUKEE  
ENTERPRISE FUNDS

Exhibit E-2

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)  
FOR THE YEAR ENDED DECEMBER 31, 2001  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000  
(Thousands of Dollars)

	Metropolitan Sewerage District User Charge	Parking
Operating Revenues:		
Charges for Services:		
Water sales .....	\$	\$
Statutory sewer user fee .....	28,510	
Sewer maintenance fee .....		
Solid waste fee .....		
Rent .....		6,571
Fire protection service .....		
Parking meters .....		3,779
Parking permits .....		1,893
Vehicle towing .....		3,823
Other .....	1,588	19,673
Total Operating Revenues .....	<u>\$ 30,098</u>	<u>\$ 35,739</u>
Operating Expenses:		
Milwaukee Metropolitan Sewerage District Charges .....	\$ 24,871	\$
Employee services .....		5,190
Administrative and general .....	189	
Depreciation .....		2,137
Transmission and distribution .....	1,725	
Services, supplies and materials .....		11,840
Payment in lieu of taxes .....		1,210
Water treatment .....		
Water pumping .....		
Billing and collection .....	3,037	
Total Operating Expenses .....	<u>\$ 29,822</u>	<u>\$ 20,377</u>
Operating Income .....	<u>\$ 276</u>	<u>\$ 15,362</u>
Nonoperating Revenues (Expenses):		
Interest income .....	\$	\$
Interest expense .....		(1,391)
Net gain (loss) on sale of fixed assets .....		
Other .....		
Total Nonoperating Revenues (Expenses) .....	<u>\$ -</u>	<u>\$ (1,391)</u>
Income before Operating Transfers .....	<u>\$ 276</u>	<u>\$ 13,971</u>
Operating Transfers In .....		1,381
Operating Transfers Out .....		(20,422)
Net Income (Loss) before Capital Contributions .....	<u>\$ 276</u>	<u>\$ (5,070)</u>
Capital Contributions .....		3,593
Net Income (Loss) .....	<u>\$ 276</u>	<u>\$ (1,477)</u>
Retained Earnings (Deficit) - January 1 .....	1,132	7,262
Residual Equity Transfers to Other Funds .....		
Retained Earnings (Deficit) - December 31 .....	<u>\$ 1,408</u>	<u>\$ 5,785</u>

Port of Milwaukee	Sewer Maintenance	Solid Waste	Water Works	Totals	
				2001	2000 (Restated)
\$	\$	\$	\$ 54,681	\$ 54,681	\$ 54,625
				28,510	29,306
	18,815			18,815	15,582
		36,584		36,584	
3,985				10,556	7,937
			5,138	5,138	5,088
				3,779	3,492
				1,893	1,303
				3,823	3,177
	84		1,892	23,237	5,847
<u>\$ 3,985</u>	<u>\$ 18,899</u>	<u>\$ 36,584</u>	<u>\$ 61,711</u>	<u>\$ 187,016</u>	<u>\$ 126,357</u>
\$	\$	\$	\$	\$ 24,871	\$ 26,211
1,315	6,284	20,794		33,583	11,054
			5,013	5,202	4,869
714	3,119		8,917	14,887	11,786
			14,767	16,492	16,683
832	7,809	13,868		34,349	13,221
			7,712	8,922	9,156
			8,295	8,295	7,919
			4,990	4,990	5,051
			1,047	4,084	3,532
<u>\$ 2,861</u>	<u>\$ 17,212</u>	<u>\$ 34,662</u>	<u>\$ 50,741</u>	<u>\$ 155,675</u>	<u>\$ 109,482</u>
<u>\$ 1,124</u>	<u>\$ 1,687</u>	<u>\$ 1,922</u>	<u>\$ 10,970</u>	<u>\$ 31,341</u>	<u>\$ 16,875</u>
\$	\$	\$	\$ 617	\$ 617	\$ 1,132
(158)	(99)		(3,006)	(4,654)	(4,943)
				-	(439)
(960)	(1)		560	(401)	402
<u>\$ (1,118)</u>	<u>\$ (100)</u>	<u>\$ -</u>	<u>\$ (1,829)</u>	<u>\$ (4,438)</u>	<u>\$ (3,848)</u>
\$ 6	\$ 1,587	\$ 1,922	\$ 9,141	\$ 26,903	\$ 13,027
158			7,479	9,018	9,467
(1,657)		(57)	(7,377)	(29,513)	(12,348)
<u>\$ (1,493)</u>	<u>\$ 1,587</u>	<u>\$ 1,865</u>	<u>\$ 9,243</u>	<u>\$ 6,408</u>	<u>\$ 10,146</u>
				3,593	
<u>\$ (1,493)</u>	<u>\$ 1,587</u>	<u>\$ 1,865</u>	<u>\$ 9,243</u>	<u>\$ 10,001</u>	<u>\$ 10,146</u>
(11,210)	4,419	-	234,872	236,475	226,329
		(1,865)		(1,865)	
<u>\$ (12,703)</u>	<u>\$ 6,006</u>	<u>\$ -</u>	<u>\$ 244,115</u>	<u>\$ 244,611</u>	<u>\$ 236,475</u>

CITY OF MILWAUKEE  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2001  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000  
(Thousands of Dollars)

Exhibit E-3

	Metropolitan Sewerage District User Charge	Parking
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating income (loss) .....	\$ 276	\$ 15,362
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (Used for)		
Operating Activities:		
Depreciation .....		2,137
Other nonoperating revenues (expenses) .....		
(Increase) decrease in receivables .....	2,150	
(Increase) decrease in due from other funds .....	47	
(Increase) decrease in inventory of materials and supplies .....		
(Increase) decrease in prepaid items .....		30
(Increase) decrease in deferred charges .....		
(Increase) decrease in other assets .....		
Increase (decrease) in accounts payable .....	(544)	484
Increase (decrease) in accrued wages .....	7	50
Increase (decrease) in accrued expenses .....		
Increase (decrease) in due to other funds .....		(387)
Increase (decrease) in deferred revenue .....		10
	<hr/>	<hr/>
Net Cash Provided by (Used for) Operating Activities .....	\$ 1,936	\$ 17,686
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Operating transfers to other funds .....	\$	\$ (19,041)
Residual Equity transfer to other funds .....	<hr/>	<hr/>
	<hr/>	<hr/>
Net Cash Provided by (Used for) Noncapital Financing Activities .....	\$ -	\$ (19,041)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Capital contributions .....	\$	\$ 3,594
Proceeds from bond anticipation notes .....		
Proceeds from sale of bonds and notes .....		6,603
Proceeds from sale of revenue bonds .....		
Bond issuance costs .....		
Acquisition of property, plant and equipment .....		(2,592)
Retirement of bonds, notes and revenue bonds .....		(3,594)
Payment to refunded bond escrow agent .....		(4,555)
Interest paid .....		(1,381)
Sale of land and other assets .....		
Transfer to fiscal agent .....		
Transfer from fiscal agent .....		
Operating transfers to other funds .....		
Repairs and restorations .....		
	<hr/>	<hr/>
Net Cash Provided by (Used for) Capital and Related Financing Activities .....	\$ -	\$ (1,925)

Port of Milwaukee	Sewer Maintenance	Solid Waste	Water Works	Totals	
				2001	2000 (Restated)
\$ 1,124	\$ 1,687	\$ 1,922	\$ 10,970	\$ 31,341	\$ 16,875
714	3,119		8,917	14,887	11,786
(660)	(4,053)		560	560	425
3			152	(2,411)	(2,375)
				50	(158)
			(433)	(433)	522
	6		41	77	19
2	(367)			(365)	(2)
			616	616	528
38	(474)		(3)	(499)	2,128
(1)	71		82	209	50
	866			866	
264	10,154		(566)	9,465	(2,298)
				10	(36)
<u>\$ 1,481</u>	<u>\$ 11,012</u>	<u>\$ 1,922</u>	<u>\$ 20,336</u>	<u>\$ 54,373</u>	<u>\$ 27,464</u>
\$ (1,657)	\$	\$ (57)	\$	\$ (20,755)	\$ (3,152)
		(1,865)		(1,865)	-
<u>\$ (1,657)</u>	<u>\$ -</u>	<u>\$ (1,922)</u>	<u>\$ -</u>	<u>\$ (22,620)</u>	<u>\$ (3,152)</u>
\$ 434	\$	\$	\$	\$ 4,028	\$ 3,450
711			3,126	-	6,258
	29,862			10,440	4,891
	(416)			29,862	-
	(10,384)		(7,555)	(416)	
(309)	(6,258)		(5,622)	(20,531)	(22,048)
(8)			(3,126)	(15,783)	(8,950)
(158)	(99)		(3,006)	(7,689)	
				(4,644)	(4,953)
				-	26
	(29,975)			(29,975)	
	6,258			6,258	
158			102	260	271
(1,394)				(1,394)	(422)
<u>\$ (566)</u>	<u>\$ (11,012)</u>	<u>\$ -</u>	<u>\$ (16,081)</u>	<u>\$ (29,584)</u>	<u>\$ (21,477)</u>

CITY OF MILWAUKEE  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2001  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000  
(Thousands of Dollars)

Exhibit E-3 (Continued)

	Metropolitan Sewerage District User Charge	Parking
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income .....	\$	\$
Increase in fiscal agent funds .....		
Purchase of investments .....		
Proceeds from the sale and maturity of investments .....	<u>          </u>	<u>          </u>
Net Cash Provided by (Used for) Investing Activities .....	\$ -	\$ -
Net Increase (Decrease) in Cash and Cash Equivalents .....	\$ 1,936	\$ (3,280)
Cash and Cash Equivalents at January 1 .....	<u>1,136</u>	<u>10,819</u>
Cash and Cash Equivalents at December 31 .....	<u>\$ 3,072</u>	<u>\$ 7,539</u>
Cash and Cash Equivalents at December 31 Consist of:		
Unrestricted Cash .....	\$ 3,072	\$ 7,539
Restricted Cash .....	<u>          </u>	<u>          </u>
	<u>\$ 3,072</u>	<u>\$ 7,539</u>

Non-cash Activities:

The Port of Milwaukee disposed of \$30 fully depreciated fixed assets during the year.

During the year, water mains and related property, installed by others were deeded to the Water Works in the amount of \$662.

During the year, the city transferred \$179,871,000 (net book value) of infrastructure assets to the Sewer Maintenance Fund.

Port of Milwaukee	Sewer Maintenance	Solid Waste	Water Works	Totals	
				2001	2000 (Restated)
\$	\$ 23,365	\$	\$ 612	\$ 612 23,365	\$ 1,102
			4,000	- 4,000	(4,000) -
<u>\$ -</u>	<u>\$ 23,365</u>	<u>\$ -</u>	<u>\$ 4,612</u>	<u>\$ 27,977</u>	<u>\$ (2,898)</u>
\$ (742)	\$ 23,365	\$ -	\$ 8,867	\$ 30,146	\$ (63)
<u>742</u>			<u>7,325</u>	<u>20,022</u>	<u>20,085</u>
<u><u>\$ -</u></u>	<u><u>\$ 23,365</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 16,192</u></u>	<u><u>\$ 50,168</u></u>	<u><u>\$ 20,022</u></u>
\$ -	\$ 23,365	\$ -	\$ 16,192	\$ 26,803 23,365	\$ 20,022
<u><u>\$ -</u></u>	<u><u>\$ 23,365</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 16,192</u></u>	<u><u>\$ 50,168</u></u>	<u><u>\$ 20,022</u></u>

This page left blank intentionally.



## **FIDUCIARY FUNDS**

### **EXPENDABLE TRUST FUNDS**

#### **PROPERTY TAX COLLECTION**

This Fund is used to account for the advance property tax collections for the subsequent year's budget.

#### **DEPOSITS AND OTHER TRUST FUNDS**

This Fund is used to account for the receipt and disposition of performance deposits, and for deposits the City holds in the capacity of trustee for various individuals, governmental entities and nonpublic organizations.

#### **DEFERRED COMPENSATION**

The City's deferred compensation plan for City employees is accounted for in this fund in accordance with GASB No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.

### **AGENCY FUNDS**

Monies collected by the City for other Governmental entities are reported in the Agency Funds.

CITY OF MILWAUKEE  
TRUST AND AGENCY FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2001  
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000  
(Thousands of Dollars)

Exhibit F-1

	Expendable Trust Funds					
	Deposits and					
	Property Tax Collection	Other Trust Funds	Deferred Compensation	Agency Funds		Totals
					2001	2000
<b>ASSETS</b>						
Cash and cash equivalents .....	\$ 76,156	\$ 1,867	\$	\$ 237,941	\$ 315,964	\$ 217,109
Investments .....		5,405			5,405	6,006
Receivables (net):						
Taxes .....	124,484			1	124,485	141,378
Notes and loans .....		467			467	468
Restricted Assets:						
Investments .....			374,371		374,371	387,461
<b>Total Assets .....</b>	<b>\$ 200,640</b>	<b>\$ 7,739</b>	<b>\$ 374,371</b>	<b>\$ 237,942</b>	<b>\$ 820,692</b>	<b>\$ 752,422</b>
<b>LIABILITIES AND FUND BALANCE</b>						
Liabilities:						
Accounts payable .....	\$	\$ 15	\$	\$ 1,137	\$ 1,152	\$ 1,730
Due to other funds .....					-	125
Due to other governmental agencies .....				124,805	124,805	52,476
Deferred revenue .....	200,640				200,640	191,536
Bonds and notes payable .....				112,000	112,000	110,000
<b>Total Liabilities .....</b>	<b>\$ 200,640</b>	<b>\$ 15</b>	<b>\$ -</b>	<b>\$ 237,942</b>	<b>\$ 438,597</b>	<b>\$ 355,867</b>
Fund Balances:						
Reserved for deferred compensation .....	\$	\$ 7,724	\$ 374,371	\$	\$ 374,371	\$ 387,461
Unreserved .....					7,724	9,094
<b>Total Fund Balances:.....</b>	<b>\$ -</b>	<b>\$ 7,724</b>	<b>\$ 374,371</b>	<b>\$ -</b>	<b>\$ 382,095</b>	<b>\$ 396,555</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 200,640</b>	<b>\$ 7,739</b>	<b>\$ 374,371</b>	<b>\$ 237,942</b>	<b>\$ 820,692</b>	<b>\$ 752,422</b>

CITY OF MILWAUKEE  
EXPENDABLE TRUST FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2001  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000  
(Thousands of Dollars)

Exhibit F-2

	Deposits and Other Trust Funds	Deferred Compensation	2001	Totals 2000
Revenues:				
Other:				
Contributions .....	\$	\$ 25,370	\$ 25,370	\$ 25,256
Interest .....	358	(19,108)	(18,750)	(8,648)
Miscellaneous .....	4,998		4,998	4,233
Total Revenues .....	\$ 5,356	\$ 6,262	\$ 11,618	\$ 20,841
Expenditures:				
Other:				
Fees and taxes remitted to City .....	\$ 1,620	\$	\$ 1,620	\$ 842
Benefit payments and transfers out .....		19,352	19,352	17,803
Miscellaneous .....	5,223		5,223	4,409
Total Expenditures .....	\$ 6,843	\$ 19,352	\$ 26,195	\$ 23,054
Excess of Revenues over (under) Expenditures .....	\$ (1,487)	\$ (13,090)	\$ (14,577)	\$ (2,213)
Other Financing Sources (Uses):				
Operating transfers in .....	104		104	45
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses .....	\$ (1,383)	\$ (13,090)	\$ (14,473)	\$ (2,168)
Fund Balance - January 1 .....	9,094	387,461	396,555	398,714
Residual Equity Transfers from Other Funds .....	13		13	9
Fund Balances - December 31 .....	\$ 7,724	\$ 374,371	\$ 382,095	\$ 396,555

CITY OF MILWAUKEE  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**  
*(Thousands of Dollars)*

Exhibit F-3

	Balance 01-01-01	Additions	Deductions	Balance 12-31-01
<b>BOARD OF SCHOOL DIRECTORS FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents .....	\$ 116,952	\$ 1,189,777	\$ 1,142,363	\$ 164,366
Taxes receivable .....		122,504	122,504	
<b>Total Assets .....</b>	<b>\$ 116,952</b>	<b>\$ 1,312,281</b>	<b>\$ 1,264,867</b>	<b>\$ 164,366</b>
<b>LIABILITIES</b>				
Accounts payable .....	\$	\$ 1,023,253	\$ 1,023,253	\$
Due to Other Governmental Agencies:				
Milwaukee School Board .....	6,952	1,077,777	1,032,363	52,366
Bonds and notes payable .....	110,000	112,000	110,000	112,000
<b>Total Liabilities .....</b>	<b>\$ 116,952</b>	<b>\$ 2,213,030</b>	<b>\$ 2,165,616</b>	<b>\$ 164,366</b>
<b>PROPERTY TAX FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents .....	\$ 44,798	\$ 188,059	\$ 161,046	\$ 71,811
Taxes Receivable .....	24	116,317	116,340	1
<b>Total Assets .....</b>	<b>\$ 44,822</b>	<b>\$ 304,376</b>	<b>\$ 277,386</b>	<b>\$ 71,812</b>
<b>LIABILITIES</b>				
Due to Other Governmental Agencies:				
State of Wisconsin .....	\$ 133	\$ 3,482	\$ 3,509	\$ 106
Milwaukee County .....	27,093	109,825	93,915	43,003
Menomonee Falls School District .....		252	252	
Milwaukee Area District Board of Vocational Technical & Adult Education .....	9,571	40,476	34,437	15,610
Milwaukee Metropolitan Sewerage District .....	8,025	33,944	28,876	13,093
Washington County .....		6	6	
Waukesha County .....		51	51	
<b>Total Liabilities .....</b>	<b>\$ 44,822</b>	<b>\$ 188,036</b>	<b>\$ 161,046</b>	<b>\$ 71,812</b>

CITY OF MILWAUKEE  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2001  
 (Thousands of Dollars)

Exhibit F-3 (Continued)

	Balance 01-01-01	Additions	Deductions	Balance 12-31-01
<b>PAYROLL DEDUCTIONS FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents .....	<u>\$ 168</u>	<u>\$ 1,331</u>	<u>\$ 1,286</u>	<u>\$ 213</u>
<b>LIABILITIES</b>				
Accounts payable .....	<u>\$ 168</u>	<u>\$ 1,334</u>	<u>\$ 1,289</u>	<u>\$ 213</u>
<b>FEES, PENALTIES AND SALES TAX FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents .....	<u>\$ 720</u>	<u>\$ 4,014</u>	<u>\$ 4,107</u>	<u>\$ 627</u>
<b>LIABILITIES</b>				
Accounts payable .....	\$ 18	\$ 555	\$ 573	\$ -
Due to Other Governmental Agencies:				
State of Wisconsin .....	447	2,516	2,481	482
Milwaukee County .....	<u>255</u>	<u>943</u>	<u>1,053</u>	<u>145</u>
Total Liabilities .....	<u>\$ 720</u>	<u>\$ 4,014</u>	<u>\$ 4,107</u>	<u>\$ 627</u>
<b>OTHER</b>				
<b>ASSETS</b>				
Cash and cash equivalents .....	<u>\$ 1,519</u>	<u>\$ 13,198</u>	<u>\$ 13,793</u>	<u>\$ 924</u>
<b>LIABILITIES</b>				
Accounts payable .....	<u>\$ 1,519</u>	<u>\$ 13,198</u>	<u>\$ 13,793</u>	<u>\$ 924</u>

CITY OF MILWAUKEE  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**  
*(Thousands of Dollars)*

Exhibit F-3 (Continued)

	<b>Balance 01-01-01</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance 12-31-01</b>
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents .....	\$ 164,157	\$ 1,396,379	\$ 1,322,595	\$ 237,941
Receivables:				
Taxes .....	24	238,821	238,844	1
<b>Total Assets .....</b>	<b><u>\$ 164,181</u></b>	<b><u>\$ 1,635,200</u></b>	<b><u>\$ 1,561,439</u></b>	<b><u>\$ 237,942</u></b>
<b>LIABILITIES</b>				
Accounts payable .....	\$ 1,705	\$ 1,038,340	\$ 1,038,908	\$ 1,137
Due to other governmental agencies .....	52,476	1,269,272	1,196,943	124,805
Bonds and notes payable .....	110,000	112,000	110,000	112,000
<b>Total Liabilities .....</b>	<b><u>\$ 164,181</u></b>	<b><u>\$ 2,419,612</u></b>	<b><u>\$ 2,345,851</u></b>	<b><u>\$ 237,942</u></b>

## **GENERAL FIXED ASSETS ACCOUNT GROUP**

General fixed assets of the City, other than those reported in the enterprise fund, are reported in this account group.

CITY OF MILWAUKEE  
GENERAL FIXED ASSETS ACCOUNT GROUP  
SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCES  
DECEMBER 31, 2001  
(Thousands of Dollars)

Exhibit G-1

**GENERAL FIXED ASSETS**

Land .....	\$ 39,694
Buildings .....	132,870
Machinery and equipment .....	97,353
Construction work in progress .....	<u>82,939</u>
<b>Total General Fixed Assets .....</b>	<b><u>\$ 352,856</u></b>

**INVESTMENT IN GENERAL FIXED ASSETS**

Acquired prior to December 31, 1974 .....	\$ 68,099
Capital Projects Funds:	
Capital tax levy .....	32,080
General obligation bonds and notes .....	145,704
Federal and state grants .....	19,465
General Fund contributions .....	86,064
Gifts .....	427
Parking Fund contributions .....	285
Industrial Land Bank Fund contributions .....	<u>732</u>
<b>Total Investment in General Fixed Assets .....</b>	<b><u>\$ 352,856</u></b>



CITY OF MILWAUKEE  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTIONS AND ACTIVITIES**  
 DECEMBER 31, 2001  
 (Thousands of Dollars)

Exhibit G-2

Function and Activity	Land	Buildings	Machinery and Equipment	Total
General government .....	\$ 2,923	\$ 30,522	\$ 8,749	\$ 42,194
Public Safety:				
Fire protection .....	\$ 926	\$ 20,821	\$ 6,468	\$ 28,215
Police protection .....	1,040	17,488	7,447	25,975
Total Public Safety .....	\$ 1,966	\$ 38,309	\$ 13,915	\$ 54,190
Public Works:				
Public works facilities .....	\$ 1,753	\$ 20,070	\$ 63,116	\$ 84,939
Sanitation .....	1,943	11,674	112	13,729
Total Public Works .....	\$ 3,696	\$ 31,744	\$ 63,228	\$ 98,668
Health .....	\$ 1,089	\$ 5,245	\$ 338	\$ 6,672
Culture and Recreation:				
Libraries .....	\$ 1,786	\$ 22,090	\$ 10,926	\$ 34,802
Recreation .....	28,234	4,960	197	33,391
Total Culture and Recreation .....	\$ 30,020	\$ 27,050	\$ 11,123	\$ 68,193
Total General Fixed Assets Allocated to Functions .....	<u>\$ 39,694</u>	<u>\$ 132,870</u>	<u>\$ 97,353</u>	\$ 269,917
Construction work in progress .....				82,939
Total General Fixed Assets .....				<u>\$ 352,856</u>

CITY OF MILWAUKEE  
GENERAL FIXED ASSETS ACCOUNT GROUP  
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTIONS AND ACTIVITIES  
DECEMBER 31, 2001  
(Thousands of Dollars)

Exhibit G-3

Function and Activity	General Fixed Assets 01-01-01	Additions	Deletions	General Fixed Assets 12-31-01
General government .....	\$ 42,194	\$ -	\$ -	\$ 42,194
Public Safety:				
Fire protection .....	\$ 28,215	\$	\$	\$ 28,215
Police protection .....	25,975			25,975
Total Public Safety .....	\$ 54,190	\$ -	\$ -	\$ 54,190
Public Works:				
Public works facilities .....	\$ 81,120	\$ 5,212	\$ 1,393	\$ 84,939
Sanitation .....	13,729			13,729
Total Public Works .....	\$ 94,849	\$ 5,212	\$ 1,393	\$ 98,668
Health .....	\$ 6,672	\$ -	\$ -	\$ 6,672
Culture and Recreation:				
Libraries .....	\$ 34,802	\$	\$	\$ 34,802
Recreation .....	33,391			33,391
Total Culture and Recreation .....	\$ 68,193	\$ -	\$ -	\$ 68,193
Construction work in progress .....	\$ 63,088	\$ 21,306	\$ 1,455	\$ 82,939
Total General Fixed Assets .....	\$ 329,186	\$ 26,518	\$ 2,848	\$ 352,856

CITY OF MILWAUKEE  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY SOURCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**  
(Thousands of Dollars)

Exhibit G-4

	Land	Buildings	Machinery and Equipment	Construction Work in Progress	Total
General Fixed Assets January 1, 2001 .....	<u>\$ 39,694</u>	<u>\$ 132,870</u>	<u>\$ 93,534</u>	<u>\$ 63,088</u>	<u>\$ 329,186</u>
Additions:					
Expenditures from:					
Capital Projects Funds:					
Capital tax levy .....	\$	\$	\$	\$ 384	\$ 384
General obligation bonds and notes .....				21,833	21,833
General Fund .....			5,212	(911)	4,301
Total Additions .....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,212</u>	<u>\$ 21,306</u>	<u>\$ 26,518</u>
Total Balance and Additions .....	<u>\$ 39,694</u>	<u>\$ 132,870</u>	<u>\$ 98,746</u>	<u>\$ 84,394</u>	<u>\$ 355,704</u>
Deletions:					
Sale of land and buildings .....	\$	\$	\$ 1,393	\$	\$ 1,393
Construction work in progress .....				1,455	1,455
Total Deductions .....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,393</u>	<u>\$ 1,455</u>	<u>\$ 2,848</u>
General Fixed Assets December 31, 2001 .....	<u>\$ 39,694</u>	<u>\$ 132,870</u>	<u>\$ 97,353</u>	<u>\$ 82,939</u>	<u>\$ 352,856</u>

This page left blank intentionally.

## **GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP**

General long-term debt and certain unfunded liabilities of governmental funds are accounted for in the General Long-Term Obligations Account Group.

CITY OF MILWAUKEE  
**GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP**  
**STATEMENT OF GENERAL LONG-TERM OBLIGATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**  
*(Thousands of Dollars)*

Exhibit H-1

	Balance 01-01-01	Obligations Incurred	Obligations Retired	Debt Service Funds Operations	Balance 12-31-01
<b>RESOURCES AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM OBLIGATIONS</b>					
Resources available in Debt Service Funds .....	\$ 117,488	\$	\$	\$ 11,386	\$ 128,874
Resources to be Provided for:					
Retirement of general obligation debt .....	405,015	137,939	94,013	(11,386)	437,555
Unfunded compensated absences .....	30,534	5,306	2,480		33,360
Unfunded claims and judgments .....	<u>43,520</u>	<u>14,939</u>	<u>21,514</u>	<u>          </u>	<u>36,945</u>
<b>Total Resources Available and to be Provided .....</b>	<b><u>\$ 596,557</u></b>	<b><u>\$ 158,184</u></b>	<b><u>\$ 118,007</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 636,734</u></b>

**GENERAL LONG-TERM OBLIGATIONS PAYABLE**

General obligation debt .....	\$ 522,503	\$ 137,939	\$ 94,013	\$	\$ 566,429
Unfunded compensated absences .....	30,534	5,306	2,480		33,360
Unfunded claims and judgments .....	<u>43,520</u>	<u>14,939</u>	<u>21,514</u>	<u>          </u>	<u>36,945</u>
<b>Total General Long-Term Obligations Payable .....</b>	<b><u>\$ 596,557</u></b>	<b><u>\$ 158,184</u></b>	<b><u>\$ 118,007</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 636,734</u></b>

## **COMPONENT UNITS - ENTERPRISE FUNDS**

### **HOUSING AUTHORITY**

This entity is used to account for the Federal and State grants relating primarily to low income housing and rental assistance programs. The entire governing board is appointed by the Mayor of the City. The daily operations of the Housing Authority of the City of Milwaukee (HACM) are managed by City employees.

### **MILWAUKEE ECONOMIC DEVELOPMENT CORPORATION**

The Milwaukee Economic Development Corporation (MEDC) is a nonstock, nonprofit organization formed to promote economic development within the City. The principal objective of the Corporation is to benefit the community by fostering increased employment through expansion of business and industry within the metropolitan Milwaukee area. MEDC's primary source of funds is interest on loans originally granted through the City.

### **NEIGHBORHOOD IMPROVEMENT DEVELOPMENT CORPORATION**

The Neighborhood Improvement Development Corporation (NIDC) is a nonprofit corporation established to promote reinvestment in both housing and commercial structures within the city. NIDC programs encourage private lending institutions and property owners to make improvements to the community's homes and businesses. Corporate officers of NIDC are provided by the City and daily operations are managed by City employees.

### **PABST THEATER**

The City established the Pabst Theater as a municipal theater pursuant to Wisconsin Statutes. A separate board (Pabst Theater Board) is responsible for the maintenance, supervision and operation of the theater. The City issued debt to finance building repairs and annually provides significant subsidies to the Pabst Theater.

### **REDEVELOPMENT AUTHORITY**

The Redevelopment Authority of the City of Milwaukee (RACM) is responsible for activities related to the prevention and elimination of blight and slum conditions in the City. The City appoints all members of the Board and approves the budget.

CITY OF MILWAUKEE  
**COMPONENT UNITS - ENTERPRISE FUNDS**  
**COMBINING BALANCE SHEET**  
 DECEMBER 31, 2001  
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000  
 (Thousands of Dollars)

Exhibit I-1

	Housing Authority	Milwaukee Economic Development Corporation
<b>ASSETS</b>		
Cash and cash equivalents .....	\$ 11,201	\$ 5,858
Investments .....	5,798	12,332
Receivables (net):		
Accounts .....	5,970	
Notes and loans .....	6,972	28,130
Accrued interest .....		250
Due from primary government .....		
Due from other governmental agencies .....	5,434	3,288
Inventory of property for resale .....		524
Prepaid items .....	1,994	7
Other assets .....	1,004	
Restricted Assets:		
Cash and Cash Equivalents:		
Special deposits .....	1,043	117
Investments .....	7,122	
Loans receivable .....		
Land .....	39,858	
Buildings .....	276,045	
Machinery and equipment .....	3,615	186
Furniture and furnishings .....		
Construction work in progress .....	38,353	
Accumulated depreciation .....	(137,153)	(162)
<b>Total Assets .....</b>	<b><u>\$ 267,256</u></b>	<b><u>\$ 50,530</u></b>
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Accounts payable .....	\$ 12,150	\$ 118
Accrued wages .....		
Accrued expenses .....	2,253	
Due to primary government .....	1,005	1,416
Due to other governmental agencies .....		
Bonds and notes payable - current .....	19	
Deferred revenue .....	1,083	
Bonds and notes payable .....	8,420	
Revenue bonds payable .....	6,594	
Advances from other governmental agencies .....	7,963	
Other liabilities .....	4,368	523
Total Liabilities .....	<u>\$ 43,855</u>	<u>\$ 2,057</u>
Fund Equity:		
Contributed capital .....	\$ 248,398	\$ 5,453
Retained Earnings:		
Unreserved (deficit) .....	(24,997)	43,020
Total Fund Equity .....	<u>\$ 223,401</u>	<u>\$ 48,473</u>
<b>Total Liabilities and Fund Equity .....</b>	<b><u>\$ 267,256</u></b>	<b><u>\$ 50,530</u></b>



Neighborhood Improvement Development Corporation	Pabst Theater	Redevelopment Authority	Totals	
			2001	2000
\$ 3,087	\$ 68	\$ 13,530	\$ 33,744	\$ 31,415
100			18,230	13,765
322	86	857	7,235	8,525
9,621		19,047	63,770	56,007
166			416	467
973			973	2,112
		7,964	16,686	19,098
2,688		8,062	11,274	10,928
	20		2,021	1,666
68		56	1,128	405
261	388		1,809	3,585
		7,421	14,543	15,030
			-	40
	149		40,007	38,719
	11,256	6,757	294,058	253,270
82	716		4,599	4,697
	114		114	122
	154		38,507	44,748
(28)	(2,555)		(139,898)	(125,165)
<b>\$ 17,340</b>	<b>\$ 10,396</b>	<b>\$ 63,694</b>	<b>\$ 409,216</b>	<b>\$ 379,434</b>
\$ 2,247	\$ 871	\$ 2,851	\$ 18,237	\$ 10,548
	18		18	18
		2,027	4,280	6,505
2,362		17,611	22,394	17,270
		10,809	10,809	12,206
1,753		900	2,672	2,454
380	70	2,390	3,923	11,525
			8,420	642
		4,867	11,461	12,422
			7,963	1,358
	23		4,914	3,324
<b>\$ 6,742</b>	<b>\$ 982</b>	<b>\$ 41,455</b>	<b>\$ 95,091</b>	<b>\$ 78,272</b>
\$ 13,415	\$ 9,946	\$ 12,304	\$ 289,516	\$ 289,516
(2,817)	(532)	9,935	24,609	11,646
<b>\$ 10,598</b>	<b>\$ 9,414</b>	<b>\$ 22,239</b>	<b>\$ 314,125</b>	<b>\$ 301,162</b>
<b>\$ 17,340</b>	<b>\$ 10,396</b>	<b>\$ 63,694</b>	<b>\$ 409,216</b>	<b>\$ 379,434</b>

## COMPONENT UNITS - ENTERPRISE FUNDS

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)

FOR THE YEAR ENDED DECEMBER 31, 2001

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000

(Thousands of Dollars)

	Housing Authority	Milwaukee Economic Development Corporation
Operating Revenues:		
Charges for Services:		
Rent .....	\$ 14,904	\$
Interest from loans .....		2,217
Service fee income .....		
Net profit (loss) on property sold .....		
Show revenue .....		
Other .....	1,678	74
Total Operating Revenues .....	<u>\$ 16,582</u>	<u>\$ 2,291</u>
Operating Expenses:		
Employee services .....	\$	\$ 892
Administrative and general .....	15,976	66
Housing assistance payments .....	18,292	
Depreciation .....	15,240	11
Maintenance and utilities .....	15,112	
Services, supplies and materials .....		104
Bad debts .....		(510)
Interest expense and subsidies .....		19
Rehabilitation costs (cost recoveries) .....		
Show expense .....		
Other operating expenses .....		69
Total Operating Expenses .....	<u>\$ 64,620</u>	<u>\$ 651</u>
Operating Income (Loss) .....	<u>\$ (48,038)</u>	<u>\$ 1,640</u>
Nonoperating Revenues (Expenses):		
Federal grants and subsidies .....	\$ 53,666	\$
Interest income .....	1,777	590
Interest expense .....	(926)	
Loss on early repayments of Tax Incremental Districts .....		(816)
Net gain (loss) on sale of fixed assets .....	(197)	
Contributions .....		129
Other .....	(2,539)	
Total Nonoperating Revenues (Expenses).....	<u>\$ 51,781</u>	<u>\$ (97)</u>
Income (loss) before Operating Transfers .....	\$ 3,743	\$ 1,543
Operating Transfers from Primary Government .....		
Net Income (Loss) before Capital Contributions .....	\$ 3,743	\$ 1,543
Capital Contributions .....	400	
Net Income (Loss) .....	\$ 4,143	\$ 1,543
Retained Earnings (Deficit) - January 1 .....	(29,140)	41,477
Retained Earnings (Deficit) - December 31 .....	<u>\$ (24,997)</u>	<u>\$ 43,020</u>

Neighborhood Improvement Development Corporation	Pabst Theater	Redevelopment Authority	Totals	
			2001	2000
\$	\$ 114	\$ 112	\$ 15,130	\$ 14,756
	146	137	2,217	2,161
(768)			283	471
	167		(768)	(17)
357	72	2,947	167	224
<u>\$ (411)</u>	<u>\$ 499</u>	<u>\$ 3,196</u>	<u>5,128</u>	<u>3,282</u>
			<u>\$ 22,157</u>	<u>\$ 20,877</u>
\$	\$	\$	\$ 892	\$ 859
638	452	2,893	20,025	20,434
			18,292	17,016
14	202	88	15,555	17,404
			15,112	13,333
			104	132
			(510)	859
61			80	88
6,460			6,460	4,174
	148		148	198
	154	149	372	1,220
<u>\$ 7,173</u>	<u>\$ 956</u>	<u>\$ 3,130</u>	<u>\$ 76,530</u>	<u>\$ 75,717</u>
<u>\$ (7,584)</u>	<u>\$ (457)</u>	<u>\$ 66</u>	<u>\$ (54,373)</u>	<u>\$ (54,840)</u>
\$ 5,751	\$	\$	\$ 59,417	\$ 35,250
279		1,282	3,928	5,297
		(1,024)	(1,950)	(2,145)
			(816)	
			(197)	(11,724)
	88	6,085	129	139
<u>\$ 6,030</u>	<u>\$ 88</u>	<u>\$ 6,343</u>	<u>3,634</u>	<u>939</u>
			<u>\$ 64,145</u>	<u>\$ 27,756</u>
\$ (1,554)	\$ (369)	\$ 6,409	\$ 9,772	\$ (27,084)
	150		150	150
\$ (1,554)	\$ (219)	\$ 6,409	\$ 9,922	\$ (26,934)
	2,641		3,041	
\$ (1,554)	\$ 2,422	\$ 6,409	\$ 12,963	\$ (26,934)
(1,263)	(2,954)	3,526	11,646	38,580
<u>\$ (2,817)</u>	<u>\$ (532)</u>	<u>\$ 9,935</u>	<u>\$ 24,609</u>	<u>\$ 11,646</u>

CITY OF MILWAUKEE  
**COMPONENT UNITS - ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000**  
*(Thousands of Dollars)*

Exhibit I-3

	Housing Authority	Milwaukee Economic Development Corporation
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating income (loss) .....	\$ (48,038)	\$ 1,640
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (Used for) Operating Activities:		
Depreciation .....	15,240	11
Bad debt expense (net) .....		(510)
(Gain) loss on properties .....	(197)	
(Increase) decrease in receivables .....	(8,669)	870
(Increase) decrease in due from primary government .....		
(Increase) decrease in due from other government agencies .....	8,407	(288)
(Increase) decrease in inventory of materials and supplies .....		
(Increase) decrease in Inventory of property for resale .....		
(Increase) decrease in prepaid items .....	(357)	10
(Increase) decrease in other assets .....	(599)	
Increase (decrease) in accounts payable .....	3,871	(87)
Increase (decrease) in accrued wages .....		
Increase (decrease) in accrued expenses .....	(1,029)	
Increase (decrease) in due to primary government .....	(1,592)	
Increase (decrease) in due to other governmental agencies .....	6,605	
Increase (decrease) in deferred revenue .....	(9,601)	
Increase (decrease) in other liabilities .....	2,856	
Net Cash Provided by (Used for) Operating Activities .....	<u>\$ (33,103)</u>	<u>\$ 1,646</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Other nonoperating revenues (expenses) .....	\$ (2,539)	\$
Federal grants, subsidies and contributions .....	54,066	129
Proceeds from bonds and notes payable .....	8,439	
Retirement of bonds, notes and revenue bonds .....	(2,389)	(809)
Net increase (decrease) in due to primary government .....		(182)
Loss on early repayment of Tax Incremental Districts .....		(816)
Operating transfers from primary government .....		
Net Cash Provided by (Used for) Noncapital Financing Activities .....	<u>\$ 57,577</u>	<u>\$ (1,678)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Capital contributions .....	\$	\$ (67)
Acquisition of property, plant and equipment .....	(31,055)	(288)
Retirement of bonds, notes and revenue bonds .....		
Interest paid .....	(926)	
Proceeds from (payments to) fiscal agent funds .....	2,195	
Net proceeds from sale of property, plant and equipment .....		
Net Cash Provided by (Used for) Capital and Related Financing Activities ..	<u>\$ (29,786)</u>	<u>\$ (355)</u>

Neighborhood Improvement Development Corporation	Pabst Theater	Redevelopment Authority	Totals	
			2001	2000
\$ (7,584)	\$ (457)	\$ 66	\$ (54,373)	\$ (54,840)
14	202	88	15,555	17,404
			(510)	859
			(197)	11,724
231	(19)	(3,450)	(11,037)	(9,971)
1,139			1,139	(2,094)
		(5,707)	2,412	(9,077)
			-	541
768		(255)	513	4,220
	(8)		(355)	(145)
			(599)	(352)
660	847	2,399	7,690	4,137
			-	3
		(1,196)	(2,225)	1,623
42		6,854	5,304	1,502
(243)		(1,154)	5,208	(5,319)
124	33	1,843	(7,601)	6,236
(649)	21	(708)	1,520	2,386
<u>\$ (5,498)</u>	<u>\$ 619</u>	<u>\$ (1,220)</u>	<u>\$ (37,556)</u>	<u>\$ (31,163)</u>
\$ 5,751	\$	\$ 6,085	\$ 9,297	\$ 4,179
			54,195	31,066
833		1,324	10,596	1,765
(449)			(3,647)	(773)
			(182)	296
			(816)	-
	150		150	150
<u>\$ 6,135</u>	<u>\$ 150</u>	<u>\$ 7,409</u>	<u>\$ 69,593</u>	<u>\$ 36,683</u>
\$	\$ 1,025	\$	\$ 958	\$ 31,217
(27)	(3,748)		(35,118)	(42,819)
(58)			(58)	(8,713)
		(1,024)	(1,950)	(1,120)
		(1,708)	487	11,135
			-	(1,271)
<u>\$ (85)</u>	<u>\$ (2,723)</u>	<u>\$ (2,732)</u>	<u>\$ (35,681)</u>	<u>\$ (11,571)</u>

CITY OF MILWAUKEE  
**COMPONENT UNITS - ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000**  
*(Thousands of Dollars)*

Exhibit I-3 (Continued)

	<b>Housing Authority</b>	<b>Milwaukee Economic Development Corporation</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest income .....	\$ 1,777	\$ 590
Purchases of investments .....	(18,480)	(7,816)
Proceeds from the sale and maturity of investments .....	20,972	10
New loans made .....		(6,040)
Loan payments received .....		11,062
(Increase) decrease in accrued interest .....		104
Capital expenditures on properties .....		
Proceeds from the sale of properties .....		
Other .....		
 Net Cash Provided by (Used for) Investing Activities .....	 <u>\$ 4,269</u>	 <u>\$ (2,090)</u>
 Net Increase (Decrease) in Cash and Cash Equivalents .....	 \$ (1,043)	 \$ (2,477)
 Cash and Cash Equivalents at January 1 .....	 <u>13,287</u>	 <u>8,452</u>
 Cash and Cash Equivalents at December 31 .....	 <u><b>\$ 12,244</b></u>	 <u><b>\$ 5,975</b></u>
 Cash and Cash Equivalents at December 31 Consist of:		
Unrestricted cash .....	\$ 11,201	\$ 5,858
Restricted cash .....	<u>1,043</u>	<u>117</u>
	<u><b>\$ 12,244</b></u>	<u><b>\$ 5,975</b></u>

**Non-cash Activities:**

Pabst Theater recorded equipment purchases of \$1,616 paid directly by the City of Milwaukee.

Neighborhood Improvement Development Corporation	Pabst Theater	Redevelopment Authority	Totals	
			2001	2000
\$ 279	\$	\$ 1,282	\$ 3,928	\$ 5,297
474	(553)		(26,849)	(13,243)
(3,292)	928		22,384	13,649
2,403			(9,332)	(11,916)
(53)			13,465	6,511
(1,568)			51	(31)
753			(1,568)	(2,460)
1,278			753	877
	87		1,365	1,038
<u>\$ 274</u>	<u>\$ 462</u>	<u>\$ 1,282</u>	<u>\$ 4,197</u>	<u>\$ (278)</u>
\$ 826	\$ (1,492)	\$ 4,739	\$ 553	\$ (6,329)
2,522	1,948	8,791	35,000	41,329
<u>\$ 3,348</u>	<u>\$ 456</u>	<u>\$ 13,530</u>	<u>\$ 35,553</u>	<u>\$ 35,000</u>
\$ 3,087	\$ 68	\$ 13,530	\$ 33,744	\$ 31,183
261	388		1,809	3,817
<u>\$ 3,348</u>	<u>\$ 456</u>	<u>\$ 13,530</u>	<u>\$ 35,553</u>	<u>\$ 35,000</u>

This page left blank intentionally.



**MISCELLANEOUS  
FINANCIAL DATA**

CITY OF MILWAUKEE  
**COMBINED SCHEDULE OF DELINQUENT TAXES RECEIVABLE**  
 DECEMBER 31, 2001  
*(Thousands of Dollars)*

Exhibit J-1

	Real Estate	Personal Property	Total
<b>Year Levied</b>			
1973-1990 .....	\$ 401	\$ 97	\$ 498
1991 .....	267	56	323
1992 .....	312	20	332
1993 .....	597	23	620
1994 .....	469	38	507
1995 .....	653	106	759
1996 .....	846	114	960
1997 .....	800	91	891
1998 .....	1,173	135	1,308
1999 .....	2,566	149	2,715
2000 .....	<u>12,436</u>	<u>330</u>	<u>12,766</u>
Delinquent Taxes Receivable .....	<u>\$ 20,520</u>	<u>\$ 1,159</u>	\$ 21,679
Add: Property taxes receivable on foreclosed property (A) .....			<u>15,849</u>
Total Delinquent Taxes Receivable .....			\$ 37,528
Less: Estimated uncollectible taxes .....			<u>(12,076)</u>
<b>Net Delinquent Taxes Receivable .....</b>			<b><u>\$ 25,452</u></b>

(A) Property taxes receivable on foreclosed property is valued at the cost of delinquent taxes and assessments on acquired property.

CITY OF MILWAUKEE  
**COMBINED SCHEDULE OF CASH AND CASH EQUIVALENTS AND INVESTMENTS - REPORTING ENTITY**  
 DECEMBER 31, 2001  
 (Thousands of Dollars)

Exhibit J-2

**Cash and Cash Equivalents:**

Cash .....	\$ 68,794
Local Government Pooled - Investment Fund .....	399,654
Institutional Money Market Fund .....	24,000
Cash with Fiscal Agent .....	23,365
Certificates of Deposit .....	7,501
U.S. Agency Notes .....	7,048
Other .....	<u>1,376</u>

Total Cash and Cash Equivalents ..... **\$ 531,738**

**Investments:**

Deferred Compensation Pool .....	\$ 374,371
Treasury Notes, Bills and Agencies .....	71,467
Local Government Pooled - Investment Fund .....	18,457
Certificates of Deposit .....	750
Other .....	<u>13,304</u>

Total Investments ..... **478,349**

Total Cash and Cash Equivalents and Investments.. **\$ 1,010,087**

	Cash and Cash Equivalents	Investments	Restricted Cash and Cash Equivalents	Restricted Investments	Total
<b>Cash and Cash Equivalents and Investments by Fund Type:</b>					
General .....	\$ 29,769	\$	\$	\$ 281	\$ 30,050
Special Revenue .....	21,962				21,962
Debt Service .....	50,433	65,519			115,952
Capital Projects .....	27,889				27,889
Enterprise .....	26,803		23,365		50,168
Trust and Agency .....	315,964	5,405		374,371	695,740
Component Units - Enterprise .....	<u>33,744</u>	<u>18,230</u>	<u>1,809</u>	<u>14,543</u>	<u>68,326</u>
<b>Total Cash and Cash Equivalents and Investments by Fund Type .....</b>	<b><u>\$ 506,564</u></b>	<b><u>\$ 89,154</u></b>	<b><u>\$ 25,174</u></b>	<b><u>\$ 389,195</u></b>	<b><u>\$ 1,010,087</u></b>

CITY OF MILWAUKEE  
DEBT SERVICE REQUIREMENTS TO MATURITY -  
GENERAL OBLIGATION BONDS AND NOTES  
DECEMBER 31, 2001  
(Thousands of Dollars)

Exhibit J-3

Year	Blight Elimination/ Urban Renewal		Bridges		Bridges and Buildings Field Headquarters		City Hall Renovation	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$ 2,652	\$ 1,387	\$ 1,307	\$ 664	\$ 3	\$	\$ 15	\$ 1
2003	2,639	1,253	1,302	601	3		15	1
2004	2,635	1,119	1,189	540				
2005	2,607	980	1,093	482				
2006	2,497	842	947	427				
2007	2,114	710	948	378				
2008	2,062	605	931	331				
2009	1,992	501	898	283				
2010	1,910	401	859	237				
2011	1,804	304	818	193				
2012	1,642	211	751	150				
2013	1,286	130	626	110				
2014	818	70	606	78				
2015	506	33	525	48				
2016	111	6	260	20				
2017	2		66	6				
2018	2		69	3				
2019	<u>2</u>		<u>3</u>					
<b>Totals</b>	<b>\$ 27,281</b>	<b>\$ 8,552</b>	<b>\$ 13,198</b>	<b>\$ 4,551</b>	<b>\$ 6</b>	<b>\$ -</b>	<b>\$ 30</b>	<b>\$ 2</b>
<b>Total Requirements</b>	<b><u>\$ 35,833</u></b>		<b><u>\$ 17,749</u></b>		<b><u>\$ 6</u></b>		<b><u>\$ 32</u></b>	

Economic Development		Finance Real and Personal Property Tax Receivables		Financial Management Information System Replacement Project		Fire	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 205	\$ 49	\$ 12,710	\$ 671	\$ 1,885	\$ 629	\$ 691	\$ 292
191	38	4,945	305	1,942	549	667	258
191	28	1,930	162	2,018	464	670	224
168	18	1,440	91	2,099	376	690	188
41	9	930	40	2,146	284	673	151
39	6	475	10	2,233	186	504	117
35	5			1,950	80	459	91
31	3			410	10	411	68
15	1					352	48
2						270	33
1						246	20
1						182	9
1						40	2
						9	1
						9	1
						1	
						2	
						2	
<u>\$ 921</u>	<u>\$ 157</u>	<u>\$ 22,430</u>	<u>\$ 1,279</u>	<u>\$ 14,683</u>	<u>\$ 2,578</u>	<u>\$ 5,878</u>	<u>\$ 1,503</u>
<u>\$ 1,078</u>		<u>\$ 23,709</u>		<u>\$ 17,261</u>		<u>\$ 7,381</u>	

CITY OF MILWAUKEE  
DEBT SERVICE REQUIREMENTS TO MATURITY -  
GENERAL OBLIGATION BONDS AND NOTES  
DECEMBER 31, 2001  
(Thousands of Dollars)

Exhibit J-3 (Continued)

Year	Forestry/Sanitation Field Headquarters		Grant and Aid Improvements - City Share		Harbor		Industrial Land Bank	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$ 3		\$ 257	\$ 23	\$ 353	\$ 177	\$ 81	\$ 22
2003	2		93	13	360	160	73	18
2004			92	9	348	143	75	14
2005			92	4	313	126	61	9
2006					283	110	29	6
2007					276	95	27	4
2008					264	81	24	3
2009					255	67	22	2
2010					237	54	11	1
2011					214	42	1	
2012					187	31	1	
2013					172	21	1	
2014					166	12	1	
2015					64	6		
2016					47	2		
2017								
2018								
2019								
<b>Totals</b>	<b>\$ 5</b>	<b>\$ -</b>	<b>\$ 534</b>	<b>\$ 49</b>	<b>\$ 3,539</b>	<b>\$ 1,127</b>	<b>\$ 407</b>	<b>\$ 79</b>
<b>Total Requirements</b>	<b><u>\$ 5</u></b>		<b><u>\$ 583</u></b>		<b><u>\$ 4,666</u></b>		<b><u>\$ 486</u></b>	

Lakefront Development		Library		Local Improvement Projects/ Special Assessments		Milwaukee Exposition and Convention Center and Arena	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 13	\$ 3	\$ 838	\$ 326	\$ 2,487	\$ 1,220	\$ 14	\$ 7
12	2	719	287	2,502	1,092	16	7
10	2	718	251	2,496	967	17	6
8	1	686	212	2,415	829	18	5
4	1	600	175	1,876	693	17	3
3	1	524	143	1,952	587	16	2
3		474	116	1,820	489	13	2
3		413	92	1,576	402	10	1
1		342	71	1,266	325	6	
		246	55	930	268	1	
		176	43	718	228	1	
		227	33	966	181	1	
		206	21	942	134		
		155	12	625	95		
		54	3	657	64		
		3	1	440	31		
		3		191	10		
		3		23	1		
<u>\$ 57</u>	<u>\$ 10</u>	<u>\$ 6,387</u>	<u>\$ 1,841</u>	<u>\$ 23,882</u>	<u>\$ 7,616</u>	<u>\$ 130</u>	<u>\$ 33</u>
<u>\$ 67</u>		<u>\$ 8,228</u>		<u>\$ 31,498</u>		<u>\$ 163</u>	

CITY OF MILWAUKEE  
DEBT SERVICE REQUIREMENTS TO MATURITY -  
GENERAL OBLIGATION BONDS AND NOTES  
DECEMBER 31, 2001  
(Thousands of Dollars)

Exhibit J-3 (Continued)

Year	Municipal Expenses		Municipal Garage		Parking		Playgrounds/ Recreational Facilities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$ 3,893	\$ 161	\$ 3		\$ 3,510	\$ 1,176	\$ 888	\$ 452
2003	4,078	214	3		3,563	1,023	910	408
2004					3,631	870	889	361
2005					3,650	708	891	313
2006					1,786	547	901	262
2007					1,764	458	769	216
2008					1,717	371	706	177
2009					1,183	294	608	142
2010					1,063	234	517	112
2011					922	181	396	88
2012					890	133	310	69
2013					859	84	373	49
2014					651	43	332	31
2015					220	19	200	17
2016					142	8	102	6
2017					2		7	1
2018					2		7	
2019					2		8	
<b>Totals</b>	<b>\$ 7,971</b>	<b>\$ 375</b>	<b>\$ 6</b>	<b>\$ -</b>	<b>\$ 25,557</b>	<b>\$ 6,149</b>	<b>\$ 8,814</b>	<b>\$ 2,704</b>
<b>Total Requirements</b>	<b><u>\$ 8,346</u></b>		<b><u>\$ 6</u></b>		<b><u>\$ 31,706</u></b>		<b><u>\$ 11,518</u></b>	



Police		Public Buildings		Resource Recovery		Sanitation	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 2,896	\$ 1,911	\$ 5,506	\$ 2,748	\$ 27	\$ 7	\$ 2	
2,877	1,781	5,613	2,480	24	6	1	
2,825	1,646	5,685	2,199	24	4		
2,776	1,508	5,634	1,901	20	3		
2,790	1,368	4,844	1,602	9	2		
2,881	1,225	4,511	1,348	9	2		
2,866	1,081	4,203	1,118	8	1		
2,797	933	3,864	904	7	1		
2,769	787	3,435	710	4			
2,738	641	2,856	544				
2,631	496	2,436	400				
2,113	352	2,115	277				
2,055	241	1,655	175				
1,776	137	1,150	99				
767	41	706	38				
9	1	12	2				
10	1	13	1				
10		13					
<u>\$ 37,586</u>	<u>\$ 14,150</u>	<u>\$ 54,251</u>	<u>\$ 16,546</u>	<u>\$ 132</u>	<u>\$ 26</u>	<u>\$ 3</u>	<u>\$ -</u>
<u>\$ 51,736</u>		<u>\$ 70,797</u>		<u>\$ 158</u>		<u>\$ 3</u>	

CITY OF MILWAUKEE  
DEBT SERVICE REQUIREMENTS TO MATURITY -  
GENERAL OBLIGATION BONDS AND NOTES  
DECEMBER 31, 2001  
(Thousands of Dollars)

Exhibit J-3 (Continued)

Year	Schools		Sewers		Streets	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$ 10,285	\$ 4,953	\$ 8,064	\$ 3,821	\$ 9,243	\$ 4,091
2003	10,088	4,483	7,612	3,429	8,422	3,649
2004	9,955	4,007	7,314	3,056	8,051	3,235
2005	9,474	3,514	6,560	2,691	7,577	2,812
2006	8,181	3,028	6,063	2,342	6,458	2,405
2007	7,323	2,613	5,922	2,034	6,233	2,065
2008	6,865	2,257	5,699	1,738	5,892	1,744
2009	6,456	1,920	5,427	1,453	5,528	1,439
2010	6,404	1,593	4,971	1,181	4,831	1,156
2011	6,343	1,262	4,455	934	4,056	916
2012	5,479	940	4,262	707	3,730	707
2013	4,516	637	3,310	494	3,317	509
2014	3,996	406	2,681	342	2,824	349
2015	2,818	222	1,815	226	2,364	210
2016	1,276	70	1,058	132	1,165	84
2017	42	6	833	81	249	25
2018	44	4	875	42	261	13
2019	<u>46</u>	<u>1</u>	<u>15</u>	<u>1</u>	<u>13</u>	<u>1</u>
<b>Totals</b>	<b>\$ 99,591</b>	<b>\$ 31,916</b>	<b>\$ 76,936</b>	<b>\$ 24,704</b>	<b>\$ 80,214</b>	<b>\$ 25,410</b>
<b>Total Requirements</b>	<b><u>\$ 131,507</u></b>		<b><u>\$ 101,640</u></b>		<b><u>\$ 105,624</u></b>	

Tax Incremental Districts		Water		Total Requirements	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 5,638	\$ 4,493	\$ 5,040	\$ 2,356	\$ 78,509	\$ 31,640
5,767	4,197	5,161	2,111	69,600	28,365
6,653	3,902	5,101	1,862	62,517	25,071
6,732	3,538	4,883	1,597	59,887	21,906
6,401	3,162	5,154	1,329	52,630	18,788
6,104	2,817	3,978	1,066	48,605	16,083
5,974	2,495	3,855	868	45,820	13,653
5,736	2,183	3,618	680	41,245	11,378
5,418	1,881	3,464	502	37,875	9,294
4,985	1,600	3,243	334	34,280	7,395
4,633	1,338	2,116	180	30,210	5,653
4,423	1,086	1,652	71	26,140	4,043
4,541	853	410	19	21,925	2,776
4,246	621	57	7	16,530	1,753
2,907	401	59	5	9,320	881
2,628	257	21	3	4,315	414
2,279	120	22	2	3,780	196
31	1	24		195	5
<u>\$ 85,096</u>	<u>\$ 34,945</u>	<u>\$ 47,858</u>	<u>\$ 12,992</u>	<u>\$ 643,383</u>	<u>\$ 199,294</u>
<u>\$ 120,041</u>		<u>\$ 60,850</u>		<u>\$ 842,677</u>	

CITY OF MILWAUKEE  
**DEBT SERVICE REQUIREMENTS TO MATURITY - WATER REVENUE  
AND DISCLOSURE OF BOND COVERAGE**  
*(Thousands of Dollars)*

Exhibit J-4

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Requirements</b>
2002	\$ 763	\$ 413	\$ 1,176
2003	785	393	1,178
2004	805	372	1,177
2005	826	350	1,176
2006	848	328	1,176
2007	871	305	1,176
2008	893	282	1,175
2009	917	258	1,175
2010	941	234	1,175
2011	966	208	1,174
2012	991	183	1,174
2013	1,018	156	1,174
2014	1,044	129	1,173
2015	1,072	101	1,173
2016	1,100	72	1,172
2017	1,129	43	1,172
2018	<u>1,060</u>	<u>14</u>	<u>1,074</u>
	<b><u>\$ 16,029</u></b>	<b><u>\$ 3,841</u></b>	<b><u>\$ 19,870</u></b>

*Note: Water Revenue bond coverage on Series SDWL - 1, 2, 3, 4 & 5 for 2001, consisted of gross revenues plus interest income in the amount of \$62,328, less operating expenses (excluding depreciation) of \$41,824. As a result, the net revenue available for debt service was \$20,504. Debt service requirements consisted of \$1,177 for 2001. At the end of the year, bond coverage computes to 17.43.*

CITY OF MILWAUKEE  
**DEBT SERVICE REQUIREMENTS TO MATURITY - SEWERAGE SYSTEM REVENUE  
AND DISCLOSURE OF BOND COVERAGE**  
*(Thousands of Dollars)*

Exhibit J-5

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Requirements</b>
2002	\$	\$ 1,357	\$ 1,357
2003	1,000	1,340	2,340
2004	1,035	1,304	2,339
2005	1,080	1,259	2,339
2006	1,135	1,204	2,339
2007	1,190	1,153	2,343
2008	1,235	1,106	2,341
2009	1,285	1,056	2,341
2010	1,340	1,003	2,343
2011	1,395	948	2,343
2012	1,450	891	2,341
2013	1,520	823	2,343
2014	1,600	741	2,341
2015	1,685	654	2,339
2016	1,775	564	2,339
2017	1,875	467	2,342
2018	1,970	370	2,340
2019	2,070	273	2,343
2020	2,170	168	2,338
2021	<u>2,285</u>	<u>57</u>	<u>2,342</u>
	<b><u>\$ 29,095</u></b>	<b><u>\$ 16,738</u></b>	<b><u>\$ 45,833</u></b>

*Note: Sewerage System Revenue Bonds, Series 2001, coverage consisted of gross revenues in the amount of \$18,899, less operating expenses (excluding depreciation) of \$14,093. As a result, the net revenue available for debt service was \$4,806. Debt service requirements consisted of \$113 (interest only) for 2001. At the end of the year, bond coverage computes to 42.53.*

This page left blank intentionally.



This page left blank intentionally.



CITY OF MILWAUKEE  
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION  
LAST TEN YEARS  
(Thousands of Dollars)

Table 1

Year	General Government	Public Safety	Public Works	Health	Culture and Recreation	Conservation and Development	Total
1992	\$ 52,542	\$ 206,580	\$ 100,034	\$ 14,389	\$ 16,595	\$ 8,651	\$ 398,791
1993	57,989	207,615	108,440	14,931	17,715	6,053	412,743
1994	51,890	217,673	108,516	16,623	17,862	6,051	418,615
1995	68,928	233,625	105,161	16,484	18,157	6,343	448,698
1996	54,473	244,428	103,226	17,037	18,180	6,515	443,859
1997	62,913	243,235	107,599	16,726	19,666	5,652	455,791
1998	65,306	248,605	102,835	17,882	20,383	7,281	462,292
1999	132,231	205,717	91,817	11,401	16,627	7,271	465,064
2000	157,615	220,879	100,696	11,363	17,584	7,502	515,639
2001	162,628	209,521	87,453	11,237	16,948	7,922	495,709

NOTE: General Governmental Expenditures included on this table are only of the General Fund.

CITY OF MILWAUKEE  
GENERAL REVENUES BY SOURCE  
LAST TEN YEARS  
(Thousands of Dollars)

Table 2

Year	Property Taxes	Other Taxes	Licenses and Permits	Inter- governmental	Charges for Services	Fines and Forfeits	Other	Total
1992	\$ 102,613	\$ 14,076	\$ 6,870	\$ 247,609	\$ 16,807	\$ 10,586	\$ 14,415	\$ 412,976
1993	98,997	15,749	6,611	245,708	20,050	11,960	15,096	414,171
1994	86,265	14,910	7,115	253,879	19,937	11,778	15,762	409,646
1995	87,315	11,745	6,989	263,659	23,317	12,475	20,864	426,364
1996	84,280	11,112	7,086	268,095	24,907	13,472	18,566	427,518
1997	92,656	10,397	7,599	271,796	25,810	15,578	17,147	440,983
1998	84,042	10,100	8,112	278,965	27,727	16,138	16,736	441,820
1999	89,250	10,283	8,996	277,884	37,598	17,694	9,032	450,737
2000	98,456	12,808	10,154	278,434	45,383	18,036	14,358	477,629
2001	118,804	12,688	10,485	278,969	54,594	4,408	12,408	492,356

NOTE: General Revenues included on this table are only of the General Fund.

CITY OF MILWAUKEE  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS  
(Thousands of Dollars)

Table 3

For Year	Total Tax Levy (A)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections (B)	Total Tax Collections	Collections as Percent of Current Levy	Total Cumulative Delinquent Taxes (C)	Delinquent Taxes as Percent of Current Levy
1992	\$ 403,052	\$ 390,691	96.933	\$ 9,951	\$ 400,642	99.402	\$ 26,467	6.567
1993	420,414	409,324	97.362	11,058	420,382	99.992	26,499	6.303
1994	412,580	401,286	97.263	13,410	414,696	100.513	24,383	5.910
1995	409,238	399,661	97.660	11,021	410,682	100.353	22,939	5.605
1996	385,496	374,793	97.224	11,467	386,260	100.198	22,175	5.752
1997	350,302	340,270	97.136	8,559	348,829	99.580	23,648	6.751
1998	331,556	322,737	97.340	13,084	335,821	101.286	19,383	5.846
1999	339,318	328,558	96.829	8,574	337,132	99.355	21,569	6.357
2000	324,794	311,022	95.760	11,288	322,310	99.236	24,053	7.405
2001	368,371	355,575	96.526	14,805	370,380	100.545	22,043	5.984

(A) Includes only City and Milwaukee Public Schools levies, adjusted for special assessments placed on tax roll, as well as County delinquent taxes purchased from the County and included in tax levy collections.

(B) Collection of delinquent taxes for prior years.

(C) Includes current and prior delinquent taxes.

This page left blank intentionally.

CITY OF MILWAUKEE  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
 LAST TEN YEARS  
*(Thousands of Dollars)*

Table 4

Year	Real Property		Personal Property		Total		Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1992	\$ 12,189,274	\$ 12,304,409	\$ 1,147,496	\$ 974,747	\$ 13,336,770	\$ 13,279,156	100.4%
1993	12,205,393	12,697,662	1,140,575	1,350,323	13,345,968	14,047,985	95.0
1994	12,864,898	13,179,199	1,164,836	1,184,507	14,029,734	14,363,706	97.7
1995	12,847,723	13,634,803	1,128,926	1,186,306	13,976,649	14,821,109	94.3
1996	13,714,440	13,911,337	1,136,167	1,129,862	14,850,607	15,041,199	98.7
1997	13,780,412	14,335,277	1,133,725	1,176,580	14,914,137	15,511,857	96.1
1998	14,842,447	15,006,268	1,229,667	1,221,950	16,072,114	16,228,218	99.0
1999	14,900,027	15,905,567	873,823	795,658	15,773,850	16,701,225	94.4
2000	16,646,617	16,429,767	936,378	914,484	17,582,995	17,344,251	101.4
2001	16,792,682	18,375,998	907,102	1,077,832	17,699,784	19,453,830	90.9

**NOTE:** The Assessed Values are established by the City of Milwaukee Assessor's Office. The Estimated Actual (Equalized) Values are provided by the State Supervisor of Assessments.

CITY OF MILWAUKEE  
PROPERTY TAX RATES AND TAX LEVIES - ALL OVERLAPPING GOVERNMENTS  
LAST TEN YEARS

Table 5

Levy for Year (C)					Milwaukee Area District Board of Vocational, Technical and Adult Education	
	<u>City of Milwaukee (A)</u>		<u>Milwaukee School Board (B)</u>			
TAX RATES PER \$1,000 OF ASSESSED						
1992	\$ 11.54	28.0%	\$ 18.67	45.2%	\$ 2.06	5.0%
1993	11.50	28.3	18.45	45.4	2.00	4.9
1994	10.93	26.9	18.59	45.8	2.09	5.2
1995	10.47	28.5	15.46	42.2	2.04	5.6
1996	10.09	28.6	14.28	40.5	2.10	6.0
1997	9.81	33.3	9.97	33.9	2.01	6.8
1998	9.47	33.2	9.02	31.6	2.11	7.4
1999	9.20	32.5	9.44	33.4	2.01	7.1
2000	9.12	32.5	8.95	31.9	2.16	7.7
2001	9.86	35.2	8.81	31.5	2.00	7.1
Tax Levies						
1992	\$ 141,986		\$ 229,721		\$ 25,376	
1993	148,963		237,095		25,755	
1994	142,794		242,620		27,307	
1995	144,049		238,537		28,081	
1996	138,750		221,958		28,967	
1997	143,061		181,336		29,388	
1998	139,417		167,446		31,020	
1999	145,555		181,736		31,847	
2000	141,279		169,562		33,455	
2001	169,678		180,874		34,437	

(A) Excludes allocation of debt service requirement on debt incurred for schools, initially included in the City of Milwaukee. (\$.63 in 2001)

(B) Includes allocation of debt service requirement on debt incurred for schools, initially included in the tax levy of the City of Milwaukee. (\$.63 in 2001)

(C) Tax rates were constructed considering the provision of the tax incremental district law. The application of these rates to the applicable assessed values will provide a tax yield higher than the levy.

County of Milwaukee		State of Wisconsin		Milwaukee Metropolitan Sewerage District		Total	
VALUE AND PERCENT OF TOTAL							
\$ 5.63	13.7%	\$ 0.21	0.5%	\$ 3.12	7.6%	\$ 41.23	100.0%
5.48	13.5	0.20	0.5	2.99	7.4	40.62	100.0
5.59	13.8	0.21	0.5	3.16	7.8	40.57	100.0
5.41	14.7	0.21	0.6	3.07	8.4	36.66	100.0
5.74	16.3	0.21	0.6	2.81	8.0	35.23	100.0
5.72	19.4	0.20	0.7	1.72	5.9	29.43	100.0
5.96	20.9	0.21	0.7	1.77	6.2	28.54	100.0
5.72	20.2	0.20	0.7	1.72	6.1	28.29	100.0
5.82	20.7	0.21	0.8	1.80	6.4	28.06	100.0
5.46	19.5	0.20	0.7	1.68	6.0	28.01	100.0

*(In Thousands)*

\$ 69,242	\$ 2,637	\$ 38,423	\$ 507,385
70,658	2,656	38,523	523,650
72,965	2,810	41,234	529,730
74,326	2,873	42,191	530,057
78,897	2,964	38,654	510,190
83,308	3,008	25,110	465,211
87,779	3,102	26,039	454,803
90,387	3,246	27,152	479,923
90,017	3,340	27,876	465,529
93,946	3,469	28,876	511,280

CITY OF MILWAUKEE  
SPECIAL ASSESSMENT COLLECTIONS  
LAST TEN YEARS  
(Thousands of Dollars)

Table 6

Billing Year	Current Assessments Billed	Current Assessments Collected	Ratio of Collections to Amount Billed	Current Assessments Unpaid at End of Billing Year
1992	\$ 4,322	\$ 2,262	52.3%	\$ 2,060
1993	4,900	2,604	53.1	2,296
1994	4,774	2,896	60.7	1,878
1995	4,094	2,512	61.4	1,582
1996	4,269	2,537	59.4	1,732
1997	2,488	1,506	60.5	982
1998	4,693	2,919	62.2	1,774
1999	3,155	2,090	66.2	1,065
2000	3,271	2,031	62.1	1,240
2001	4,434	2,597	58.6	1,837

**NOTE:**

*All special assessments are due when billed and may be paid within forty-five (45) days without interest. An election to pay in six annual installments is available at an annual interest rate determined as of June 30 each year per ordinance. The rate for 2001 of 7.92% is calculated on the unpaid balance. Each installment is added to the general tax roll and the method of enforcing collections is the same as for general city taxes with like force and effect.*



CITY OF MILWAUKEE  
**RATIO OF NET GENERAL LONG-TERM DEBT TO ASSESSED VALUE AND  
 EQUALIZED VALUE AND NET LONG-TERM DEBT PER CAPITA  
 LAST TEN YEARS**

Table 7

Year	Population (A)	Assessed Value (in Thousands)	Equalized Value (in Thousands)	Gross General Long- Term Debt (B) (in Thousands)	Less Assets Available in Govern- mental Funds (C) (in Thousands)	Net General Long-Term Debt (B) (in Thousands)	Ratio of Net Long- Term Debt to Assessed Value (Percent)	Ratio of Net Long- Term Debt to Equal- ized Value (Percent)	Net General Long- Term Debt Per Capita
1992	629,554	\$ 13,336,770	\$ 13,279,156	\$ 339,106	\$ 45,796	\$ 293,310	2.20	2.21	\$ 465.90
1993	629,744	13,345,968	14,047,985	356,778	53,081	303,697	2.28	2.16	482.25
1994	629,296	14,029,734	14,363,706	351,792	51,213	300,579	2.14	2.09	477.64
1995	623,531	13,976,649	14,821,109	353,520	48,359	305,161	2.18	2.06	489.41
1996	620,609	14,850,607	15,041,199	370,517	47,787	322,730	2.17	2.15	520.02
1997	612,740	14,914,137	15,511,857	393,179	44,313	348,866	2.34	2.25	569.35
1998	610,654	16,072,114	16,228,218	432,877	47,424	385,453	2.40	2.38	631.21
1999	608,150	15,773,850	16,701,225	473,089	52,554	420,535	2.67	2.52	691.50
2000	605,572	17,582,995	17,344,251	522,503	51,444	471,059	2.68	2.72	777.87
2001	595,508	17,699,784	19,453,830	566,429	56,025	510,404	2.88	2.62	857.09

(A) The December 31, 1992 through 2001 populations are estimated from the Wisconsin Department of Revenue population used in the distribution of State Shared Revenues.

(B) Excludes general obligation debt for Port of Milwaukee, Parking and Water Works, reported in their respective funds.

(C) Includes assets available in the General Obligation Debt Service Fund and the Delinquent Tax Special Revenue Fund.

CITY OF MILWAUKEE  
COMPUTATION OF LEGAL DEBT MARGIN  
December 31, 2001  
(Thousands of Dollars)

Table 8

Assessed Value .....		<u>\$ 17,699,784</u>
Equalized Value .....		<u>\$ 19,453,830</u>
Debt Limit 7 Percent of Equalized Value .....		\$ 1,361,768
Amount of Debt Applicable to Debt Limit:		
General obligation bonds .....	\$ 506,934	
General obligation notes .....	59,495	
Parking bonds and notes .....	25,557	
Harbor bonds .....	3,539	
Water Works bonds .....	47,858	
Water Works revenue bonds .....	16,029	
Sewer revenue bonds .....	<u>29,095</u>	
Total Debt .....		\$ 688,507
Deduct:		
Assets in Debt Service Funds .....	\$ 42,137	
Water Works revenue bonds (A) .....	16,029	
Sewer revenue bonds .....	<u>29,095</u>	
Total Deductions .....		<u>87,261</u>
Total Amount of Debt Applicable to Debt Limit .....		<u>601,246</u>
Legal Debt Margin .....		<u><u>\$ 760,522</u></u>

(A) *The Water Revenue Bonds and Sewer Revenue Bonds are payable only from the income and revenues derived from the operations of the water system and sewer system, respectively. These bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or provision.*

Note: *State Statutes (67.03 and 119.49) limit direct general obligation borrowing in the amount equivalent to 7% of the equalized valuation of taxable property. The statutes further provide that within the 7% limitation, borrowing for school construction purposes may not exceed 2% of the equalized valuation and borrowing for general city purposes may not exceed 5% of the equalized valuation. The legal debt margin as of December 31, 2001 was \$389,077 for school purposes and \$371,445 for general purposes.*

CITY OF MILWAUKEE  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
December 31, 2001  
(Thousands of Dollars)

Table 9

Name of Government Unit	Net Debt Outstanding	Percentage Applicable to City of Milwaukee	City of Milwaukee's Share of Debt
Direct Debt:			
City of Milwaukee (A) .....	\$ 601,246	100.00	\$ 601,246
Overlapping Debt:			
Milwaukee Area District Board of Vocational, Technical and Adult Education .....	81,600	38.03	31,032
County of Milwaukee .....	490,579	46.50	228,119
Milwaukee Metropolitan Sewerage Area (B) .....	525,199	47.65	<u>250,257</u>
<b>Total Direct and Overlapping Debt .....</b>			<b><u>\$ 1,110,654</u></b>

(A) Excludes \$83,066 of Industrial Revenue Bonds. Includes debt incurred to finance Milwaukee School Board construction.

(B) Includes \$257,134 low interest loan from the State of Wisconsin Clean Water Fund, supported by the full faith and credit of the District.

CITY OF MILWAUKEE  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL  
 LONG-TERM DEBT TO GENERAL EXPENDITURES**  
 LAST TEN YEARS  
 (Thousands of Dollars)

Table 10

Year	Principal (A)	Interest (A)	Total Debt Service (A)	Total General Expenditures	Ratio of Debt Service to General Expenditures (Percent)
1992	\$ 39,537	\$ 19,182	\$ 58,719	\$ 398,791	14.7%
1993	42,458	21,325	63,783	412,743	15.5
1994	46,726	18,174	64,900	418,615	15.5
1995	53,004	18,786	71,790	448,698	16.0
1996	59,038	15,428	74,466	443,859	16.8
1997	58,575	17,154	75,729	455,791	16.6
1998	60,402	17,703	78,105	462,292	16.9
1999	58,645	19,295	77,940	465,064	16.8
2000	60,693	19,855	80,548	515,639	15.6
2001	62,037	21,998	84,035	495,709	16.9

(A) *Excludes school debt service. The City is obliged by State Statutes to provide financing for the acquisition of school facilities operated by the Milwaukee Board of School Directors. School debt service is the legal liability of the City of Milwaukee but school expenditures are under control of the Board of Directors.*

CITY OF MILWAUKEE  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS

Table 11

Year	Population (A)	Per Capita Income (B)	Median Age (C)	School Enrollment (D)	Unemployment Rate (E)
1992	629,554	\$ 12,680	30.3	100,163	5.4%
1993	629,744	13,575	30.3	101,189	5.9
1994	629,296	14,290	30.3	102,560	6.1
1995	623,531	12,450	30.3	103,676	4.8
1996	620,609	12,800	30.3	106,261	5.1
1997	612,740	13,219	30.3	107,043	5.2
1998	610,654	13,436	30.3	105,645	4.8
1999	608,150	13,780	30.3	105,374	4.9
2000	605,572	14,170	30.6	103,541	5.9
2001	595,508	Not Available	30.6	103,397	7.4

- (A) The December 31, 1992 through 2001 populations are estimated from the Wisconsin Department of Revenue population used in the distribution of State Shared Taxes.
- (B) Derived from data contained in Sales and Marketing Management magazine for the appropriate year. For the years 1992 through 1994, data was revised by Sales and Marketing Management magazine to conform with 1990 census data. Decline for 1995 resulted from modifications to data calculation methodology by the reporting source.
- (C) Median age of the population is determined only during a census. These figures represent the data collected by the 1990 Regular Census.
- (D) Annual School Census by Board of School Directors. Represents Public Schools only.
- (E) State of Wisconsin, Department of Workforce Development.

CITY OF MILWAUKEE  
PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS  
LAST TEN YEARS  
(Thousands of Dollars)

Table 12

Year	Commercial Construction		Residential Construction		Bank Deposits (A)	Real Property Value		
	Number of Permits	Value	Number of Units	Value		Equalized		Nontaxable
						Commercial	Residential	
1992	50	\$ 43,193	384	\$ 15,965	\$ 10,902,215	\$ 5,006,339	\$ 7,298,070	\$ 3,547,799
1993	57	41,785	290	20,084	11,173,595	5,175,813	7,521,850	3,599,941
1994	68	43,548	203	11,796	11,819,678	5,268,072	7,911,127	3,448,884
1995	71	39,983	390	20,776	13,013,020	5,388,417	8,246,386	3,497,462
1996	77	37,780	183	12,122	16,205,221	5,409,709	8,501,628	3,525,520
1997	86	161,479	345	27,512	17,921,013	5,475,827	8,859,451	3,566,982
1998	79	68,042	589	45,257	20,832,537	5,873,130	9,133,138	3,422,096
1999	95	128,344	203	20,442	15,975,126	6,221,962	9,683,606	3,456,294
2000	88	99,968	352	35,184	17,926,606	6,241,899	10,187,868	3,384,708
2001	99	106,537	542	99,106	23,185,907	7,011,654	11,364,344	3,422,534

(A) *Firstar Bank - Milwaukee was purchased by Firstar Bank - Cincinnati in October, 1999 and is no longer included.*

Sources: *Construction data from City of Milwaukee Department of Neighborhood Services. Bank Deposits are year-end, as reported to U.S. Federal Reserve, Chicago. Equalized Property Value is determined by the State of Wisconsin. Nontaxable Property Value is estimated by the City of Milwaukee, Assessor's Office.*

CITY OF MILWAUKEE  
**PRINCIPAL TAXPAYERS**  
 December 31, 2001  
 (Thousands of Dollars)

Table 13

<b>Taxpayer</b>	<b>Type of Business</b>	<b>2001 Assessed Valuation</b>	<b>Percentage of Total Assessed Valuation</b>
First Security Bank	Banking	\$ 197,383	1.12
Northwestern Mutual Life Insurance Company	Insurance	166,879	.94
Teachers Insurance & Annuity Association of America	Real Estate	103,316	.58
Towne Realty	Real Estate	82,697	.47
Marcus Corporation	Hotels/Motels/Restaurants	75,214	.43
Great Lakes REIT	Real Estate	68,095	.38
Miller Brewing	Brewery	65,832	.37
Metropolitan Associates	Real Estate	63,592	.36
Allen Bradley Company	Electric Motors, Electronic Components, Control Division	56,649	.32
100 E. Wisconsin Ave Joint Venture	Real Estate	<u>55,166</u>	<u>.31</u>
		<u><b>\$ 934,823</b></u>	<u><b>5.28</b></u>

Source:

City of Milwaukee Assessor's Office

CITY OF MILWAUKEE  
**SCHEDULE OF INSURANCE IN FORCE**  
 December 31, 2001  
 (Thousands of Dollars)

Table 14

Type of Coverage and Name of Company	Policy Number	Policy Period	
		From -	To
<b>Liability Insurance</b>			
Various - RACM Properties	Various		Various
<b>Property/Marine Insurance</b>			
Local Government Property Insurance Fund	140440	01/01/01	01/01/02
OneBeacon	CWJH40210 & CWJH40215	12/31/01	12/31/02
Hartford Steam Boiler	FBP4919044	01/01/01	01/01/02
Selective Insurance	SI690073	11/01/01	11/01/02
Hartford Steam Boiler Company	FBP9178675	08/01/01	08/01/02
American International Specialty Lines	COPS1957536	11/01/00	11/01/04
<b>Bond/Crime Insurance</b>			
Kemper	3SM63037602, 3SM63043402	04/16/01	06/16/02
Kemper	3FM929318-03 & 3FM929319-03	07/01/01	07/01/02
Travelers, Chubb	036FF103014125, 8159-97-88	08/02/01	08/02/02
Travelers	036FF103012142 BCM	08/28/01	08/28/02
Coregias Ins. Co	POD0017993	03/12/01	03/12/02
Evanston Insurance Company	MG 813292	02/01/01	02/01/02
Kemper	3FM824951-05	10/17/01	10/17/02
<b>Comprehensive General Liability</b>			
Housing Auth. Risk Retention Group (HARRG)/Travelers	50-0029-2000-00-000-0	09/01/00	09/01/03
<b>Fire, Extended Coverage, Vandalism &amp; Malicious Mischief</b>			
HAPI - Housing Authority Property Insurance	28/KTJCMB-199D500-3-2000	09/01/99	09/01/02
Federal Emergency Mgmt. Agency	Various	04/19/01	05/21/02
<b>Automobile</b>			
Travelers	KTH-810-345D8647-TIA-01	01/01/01	01/01/02
HAI	50-0028-01-00-000A	01/01/01	01/01/02
<b>Duty Disability</b>			
Monumental Life	6611001	04/01/01	04/01/02
<b>Worker's Compensation</b>			
HAI - G. Cham	WC2-115-994237-021	01/01/01	01/01/02



Table 14 (Continued)

Details of Coverage	Liability Limits	Annual Premium
General Liability	\$ 3,000	\$ 25
Buildings, Personal Property	994,344	196
Wharfinger Liability, Protection & Indemnity	11,000	56
Boiler & Machinery	100,000	49
HACM Equipment	1,672	9
HACM Boiler	25,000	13
Contractors Operations	10,000	46
Public Office Bond - Treasurer	400	*
Public Employee	1,250	13
Fiduciary - Deferred Compensation Board	20,000	34
Fiduciary - Police Relief	1,000	2
RACM - Public Officials/Employees	5,000	16
Water Testing - Errors & Omissions	1,000	4
HACM - Employee Dishonesty	150	*
Hous. Authority Tenant Liability, Lead Paint	5,500	148
Law Enforcement	1,000	9
Hous. Authority Directors, Officers/Employment	2,050	29
Pesticide	1,000	2
Housing Projects	257,987	193
Housing Projects, Flood Insurance	11,057	82
Housing Authority Fleet	1,000	48
HACM - Excess Fleet	700	15
HAZ-MAT Team/Duty Disability	2,000	54
HACM, RACM	600	94

\* Less than \$500

CITY OF MILWAUKEE  
**MISCELLANEOUS STATISTICAL DATA**  
 December 31, 2001

Table 15

Date of Incorporation .....	January 31, 1846
City Charter Adopted .....	January 31, 1846
Form of Government .....	Council-Mayor
Area of City .....	95.8 square miles
<b>Miles of Streets and Alleys</b>	
Streets - Paved .....	1,418
Streets - Unpaved .....	14
Alleys .....	416
<b>Miles of Sewers</b>	
Storm .....	953
Sanitary .....	934
Combined .....	546
<b>Building Permits</b>	
Permits Issued .....	916
Permit Value .....	\$ 270,314,491
<b>Fire Protection</b>	
Fire Stations .....	36
Total Fire Department Employees .....	1,143
Fire Fighting Force .....	1,077
<b>Police Protection</b>	
Police Stations .....	7
Total Police Department Employees (Authorized) .....	2,922
Employees with Law Enforcement Powers (Authorized) .....	2,135
Municipal Lock-up Facilities .....	7
Total Detention Capacity .....	206
Police Patrol Vehicles .....	514
Police Patrol Motorcycles .....	57
<b>Recreation</b>	
Playgrounds, Playfields, Tot Lots, Recreation Centers and Special Facilities Serving Youth/Adult .....	277
<b>Enterprise</b>	
<b>Milwaukee Water Works</b>	
Population Served .....	833,000
Number of Metered Accounts .....	160,126
Million Gallons Pumped .....	44,997
Million Gallons Consumed .....	40,813
Miles of Mains .....	1953.39
Hydrants .....	19,623
<b>Plant Capacity in Million Gallons per Day</b>	
Supply Pumping Stations .....	760
Major Pumping Stations .....	687
Repumping Stations .....	318

CITY OF MILWAUKEE  
**MISCELLANEOUS STATISTICAL DATA**  
 December 31, 2001

Table 15 (Continued)

Lights	
Street .....	66,419
Alley .....	8,790
Employees: Average Number During 2001	
Total Employees - Civil Service and Exempt .....	7,805
Exempt Employees - Excluding Summer Youth Employment Training Program and Election Workers ..	286
Elections	
Registered Voters - February 2001 .....	413,982
Registered Voters - April 2001 .....	413,982
Registered Voters - June 2001 .....	24,765
Registered Voters - July 2001 .....	24,734
Votes Cast in	
Primary Election - February 2001 .....	17,202
General Election - April 2001 .....	33,337
Special Primary Election - June 12, 2001 .....	1,347
Special General Election - July 10, 2001 .....	1,698
Percentage of Registered Voters Voting in	
2001 Spring Primary Election .....	3.94%
2001 Spring General Election .....	7.65%
2001 Special Primary Election .....	5.47%
2001 Special General Election .....	6.91%
Population (A)	
1997 .....	612,740
1998 .....	610,654
1999 .....	608,150
2000 .....	605,572
2001 .....	595,508

(A) The 1996-2000 populations are estimated from the Wisconsin Department of Revenue population used in the distribution of State Shared Taxes.